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ABSTRACT

This report covers a study of barriers for older workers in obtaining and benefitting from training and innovative policies to remove them. After an introduction, Chapter 2 reviews literature on incidence and determinants of older workers' participation in training; barriers to training; and employer and government initiatives to enhance older persons' access to training. Chapter 3 uses existing secondary data sets to provide an overview of older workers' labor market position; quantify differences in training experiences across cohorts; identify characteristics associated with relatively low levels of training participation and perceived barriers to training participation; and examine variations across cohorts in assessments of the value of training. Chapter 4 presents key findings from focus groups of older persons and human resource managers about their reactions to main findings from the literature review and data analysis and to canvas reactions to policy options to address barriers to training. Chapter 5 presents findings from case studies of three organizations representing "lighthouse" examples of management practice in dealing with an aging workforce. Chapter 6 synthesizes results showing older workers participate less in training and identifies these six barriers to training: absence of paid work; learning capacity; education; uncertain retirement age; employer discrimination; and self discrimination. Chapter 7 examines policy options addressing the barriers, including lifelong learning. (233 references) (YLB)

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BARRIERS TO TRAINING FOR OLDER WORKERS AND POSSIBLE POLICY SOLUTIONS

Prepared for the
Department of Education, Training and Youth Affairs

Through the
National Institute of Labour Studies
Flinders University of South Australia

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CHAPTER 1
INTRODUCTION

1.1 Background

Like other industrialised nations, it has been widely recognised in Australia that the creation of a highly skilled workforce is one of the key avenues to improving productivity and international competitiveness. Thus it is not surprising that we have witnessed a renewed focus on education and training during the last decade or so. The benefits of this focus, of course, go well beyond improvements in the ability of our economy to compete. Very importantly, increased learning opportunities typically benefit those individuals who are able to gain access to such training. Most obviously, training is usually assumed to provide workers with increased promotional opportunities, improved job security and higher wages (e.g., Booth 1991, 1993; Greenhalgh & Stewart 1987; Hill 1995; Lillard & Tan 1992; Lynch 1992). Perhaps more fundamentally, training and the role it can play in enhancing skill development is a crucial requirement for individual growth and achievement, factors which have long been assumed to motivate productive behaviour in the workplace (e.g., Alderfer 1972; Herzberg 1966).

Yet, within the workforce, training is not gained by all groups of workers on an equal basis. Instead, training incidence varies according to various characteristics of the workers, with one of these being their age. More specifically, it is widely recognised that older workers are less likely to gain access to training than are their younger counterparts, a view that, as we shall see, is strongly supported in survey data. For a number of reasons, this situation is seen to be undesirable.

First, differential access to training raises concerns about equity. Due to the importance of training and skill levels with regards to employability, lesser involvement in training among older workers places them at a relative disadvantage in the labour market. As the OECD (1991, p. 136) notes: 'To the extent that skill acquisition is one determinant of social and economic mobility, then access to opportunities to acquire skills is an issue of social importance'. Thus, it can be argued that opportunities for training should be made available to older workers at the same rate as for otherwise comparable younger workers.

Second, it is now widely accepted that changes in the demographic composition of the population will mean that it will become necessary in the future for many older workers to delay their exit from the workforce. As a result of declining mortality, declining fertility rates and the ageing of the baby boom generation, Australia's population (like that of other industrialised countries) is ageing (see, for example, McDonald & Kippen 1999). This has led to widespread concern about the ability of the economically active to financially support the growing numbers of those in society who are not employed (e.g., Mitchell 1993; OECD 1995b). In order to reduce the potential financial burden of those who are dependent on societal support, it is argued that older workers should be encouraged to remain in the labour force as long as possible. One strategy that would help encourage them to do so, as well as to optimise their value in the labour force, is to ensure that older workers are provided with the necessary training opportunities to maintain and enhance employment potential and avoid skill obsolescence.

Third, the nature of jobs that exist today differs widely from that of a few decades ago. Jobs are less likely to depend on physical strength, and are more likely to rely on cognitive and interpersonal skills. Further, the rapid introduction of computer-based technology into many jobs requires a new range of skills and abilities. Older workers, in particular, thus run the risk of the skills and competencies they have developed during their working life becoming devalued as new technologies are introduced (Frerichs & Naegele 1997; Friedberg 1999).

1.2 Objectives and Methods

The broad objective of this study is to report on, first, the barriers facing older workers - those aged 45 years and over - in obtaining and benefiting from training and, second, innovative and practicable policies for removing the barriers identified.

More specifically, the study has four main aims:

i. to quantify the current extent of participation in work-related training of older workers and compare their training incidence with that of younger workers;
ii. to determine the extent to which participation in work-related training among older workers has changed over time;
iii. to identify the factors that may limit older workers' participation in work-related training; and
iv. to suggest policy options that may assist the removal of barriers faced by older workers in gaining work-related training.

Given the multi-faceted nature of the aims of this study, a number of approaches were used in this study. Specifically, we undertook: a comprehensive review of both Australian and international literature; statistical analyses of large, nationally representative surveys; focus groups with older persons; and case studies at a small number of firms. Details on the various methodologies used are provided within the text of the report.

1.3 Definitions

Older persons

At what age does a person become an 'older person'? Across a wide number of disciplines, research on older persons defines this group as those who are *at least* 60 years of age. For example, in a recent volume of the *Australasian Journal of Ageing*, an article on well-being referred to older persons as those aged 60 years and over (Heady 1999), an article on aged care and another on the ethnic aged considered older persons to be those aged 65 years and over (Gibson & Goss 1999; Rowland 1999), while another article on hospital use defined older persons as those aged 75 years and over (Davis et al. 1999). Furthermore, persons must be in their 60s to qualify for government-provided aged pensions, thus creating a perception among many that those in their 60s and above are older members of society.

In contrast, research on labour market issues makes use of considerably lower ages than 60 years as the cut-off for defining those persons who are older. This is not surprising. Since the late 50s and early 60s are common retirement ages, one is an 'older' member of the workforce *relative* to other workers well before they reach the age of 60. We thus make use of the age of 45 years as the dividing point between older workers and others. That is, for the analyses presented in this report, the terms 'older worker/person' and 'mature-aged worker/person' (used interchangeably) refer to those persons aged 45 years and above. However, where possible, we differentiate between those within the group of older persons by, for example, distinguishing between those aged 45 to 54 years and those aged 55 years and above.[1]

Training

At the most basic level, training can be thought of as any activity that assists individuals to develop, learn and maintain skills related to job performance and competency. This definition includes a wide variety of activities, ranging from basic schooling through to learning on-the-job. The very breadth of this definition, however, raises numerous difficulties with respect to the measurement of training. For example, the OECD (1991, pp. 141–45) observes that unstructured training typically occurs as part of the production process and, as such, is difficult to identify. Consequently, most training statistics attempt to distinguish between different types of training, some of which may be easier to measure than others. For instance, the Australian Bureau of Statistics (ABS) household surveys on training participation conducted in 1989, 1993 and 1997 (and which are referred to extensively in this report), distinguish between formal structured and informal unstructured training activities. Within the former, a further distinction between training delivered within the firm and that delivered outside of the firm is made. Finally, the data also distinguish between external training programs undertaken with employer support and that undertaken without any signs of visible support.

General education can also perform a training function. Nevertheless, it is also true that some education is undertaken purely for its consumption benefits and may confer little in the way of job-relevant skills. In practice, making such distinctions in survey data is nigh impossible. In this report, therefore, we distinguish wherever possible, educational study separately from other forms of training.

1.4 Report Structure

This report consists of seven chapters. Following this introduction, Chapter 2 provides a comprehensive summary of relevant literature. Drawing on information from a range of disciplines the review focuses on three main issues: (i) differences in the incidence of workplace training across age groups; (ii) the types of barriers to training which older persons face; and (iii) the types of initiatives that have been introduced, both by employers and by governments, to enhance older people's training opportunities and success.

---

[1] These age thresholds are partly determined by data availability – the ABS, for instance, does not publish material in narrower age bands.

Chapter 3 then details results from analyses from a range of secondary data sets. By way of background, a detailed statistical overview of the position of older workers in the Australian labour market is provided. Data from the three ABS surveys of training and education experience are then presented and analysed in considerable detail. The emphasis here is on the extent to which older workers participate in different types of job-related and the reasons why there is a marked differential between the level of participation of this group and younger adults. Analyses of data from the 1995 Australian Workplace Industrial Relations Survey (AWIRS) are also undertaken and reported here. While this data set only contains limited information on training, it provides a rich amount of information about both workers and the firms and workplaces at which those workers are employed. Further, it also provides data on worker satisfaction with training received. Finally, this chapter includes an analysis of survey data on the perceived barriers to participation in training faced by older workers.

In Chapter 4 key findings from a series of focus groups are presented. The main objectives of the focus groups were twofold. First, to obtain in-depth information from both older persons and human resource managers about their reactions to the main findings from both the literature review and the data analysis. Second, to canvas reactions to possible policy options for addressing the identified barriers to training. Five of the focus groups were conducted with older persons aged 45 years and over (three of which were with groups of unemployed persons), while one focus group was conducted with Human Resource managers.

In Chapter 5 we present findings from three enterprise case studies. Each of the organisations chosen represents a 'lighthouse' example of management practice in dealing with an ageing workforce. Each case study also involves long established enterprises that have been operating for well over a century (in various forms). The three case studies, therefore, provide valuable guides to identifying the key elements involved in meeting the challenge of changing entrenched workplace cultures and the attitudes of established and ageing employees.

Findings from the first five chapters are then brought together in Chapter 6, which serves as a synthesis of results from the project as a whole. It is shown, incontrovertibly, that older workers participate less in training than those in younger cohorts. Factors which either tenuate or amplify this association with age are then discussed. Six barriers to training faced by older people are identified, and their relative importance is assessed.

Chapter 7 concludes by examining possibly policy options that might be considered by governments in addressing each of the barriers. These are crafted with regard to the generally 'voluntarist' thrust of Australian regulation, and give especial weight to the role of the state in facilitating partnerships between representative bodies, employers and intermediary institutions. A major plank is to encourage the notion of further learning across all age groups. A number of the options are already being pursued one way or another through different programs at either State or Federal level, but a more cohesive strategy may better serve the interests of older persons, and of the community more broadly given the likely economic and social benefits of lifelong learning.

CHAPTER 2
PREVIOUS RESEARCH

MAIN POINTS

- *Survey-based data indicate that older workers, and especially those aged 55 years or older, are far less likely to receive job-related training. Moreover, this differential remains even after controlling for other characteristics of workers.*

- *The relatively low rates of access to training among older workers is a feature of training provision that Australia shares in common with most other industrial nations. That said, there is some evidence to indicate that the size of the gap in training participation between older adults and younger adults is relatively large in Australia.*

- *Recent evidence suggests that the extent of this age-based training differential has been declining over time. The sources of this change, however, are not immediately obvious.*

- *Despite the amount of empirical research that has been undertaken, no studies have focused explicitly on trying to explain age variations and as a consequence, we still know very little about the reasons why older workers receive less training.*

- *On the face of it, there are good reasons to suspect that older workers face greater obstacles to accessing training than do their younger counterparts. Three likely sources of such barriers are employer attitudes, differential learning ability and the attitudes of the older individuals themselves.*

- *The weight of survey and case study evidence tends to confirm that managers as a group hold views that will ultimately mean reduced access of older workers to training. This, however, is not necessarily because managers believe older workers do not have the capacity for training, but because older workers are thought to experience more difficulties in learning new skills that, in turn, will impact on the expected relative cost of training older workers.*

- *Psychological-based research tends to confirm that training performance is adversely affected by age. Less clear is the cause, and importance, of this effect. The magnitude of the effect is almost certainly moderated by a number of other intervening variables.*

- *Further, it has not been clearly established at what age this learning effect becomes sizeable. The bottom-line is that in many settings and contexts, the additional cost of training an older worker compared with a younger worker may be quite small.*

- *There seems little doubt that the attitudes of older workers are a significant obstacle to their further participation in training. What is less clear is the extent to which these views reflect a lack of self-efficacy in training or a perception that training is* *no longer valuable. It is suspected that in many organisational contexts, both factors will be at work, though national survey data for Australia suggest that it is the declining utility of training that is of greatest importance.*

- *It has been frequently claimed that the disadvantageous position of older workers in terms of access to training has been accentuated by inappropriate training methods. Unfortunately, this body of theory has yet to be adequately tested. Moreover, there is very little evidence to suggest that improved learning and training methods would not benefit younger workers equally.*

- *There is an extensive prescriptive body of research detailing the sorts of policies and programs that organisations should consider in assisting older workers in the workplace. Unfortunately, more objective research detailing the experiences of firms with such initiatives is quite rare.*

- *Public policy initiatives have been far better documented, and examples of policy approaches adopted in France, Singapore, Japan, the United States, Canada, the United Kingdom and Australia are reported on here. Many of the recent initiatives adopted in the UK appear to offer promise, both in terms of specific policies aimed at older workers and general policies aimed at promoting lifelong learning. The UK policies are of special interest as they operate within a 'voluntarist' approach by government to the promotion of the take-up of training among the adult population and enterprises, which is consistent with the general policy stance of Australian governments. That said, the lack of rigorous evaluations of these policy measures combined with the relatively short period over which they can be assessed suggests the need for caution in drawing inferences for the Australian context.*

- *In Australia, until recently policy assistance has tended to be targeted towards older workers via labour market programs, and thus on older unemployed adults. Recent policy initiatives designed to improve access to work-related training among the wider population of older adults are outlined.*

2.1 Introduction

As observed in the introduction to this report, there are widespread concerns about the lesser access to work-related training by older persons. But how much is actually known about training participation and older persons? How large is the training differential by age? And what barriers do older persons, especially those in employment, face in gaining training? In this chapter we seek to answer these questions by bringing together what we already know about older persons and workplace training from the existing body of research. More specifically, this review gathers together information from various disciplines (including labour economics, sociology, psychology, organisational behaviour, education and gerontology) to discuss three main issues:

- differences in the incidence of workplace training by age, and the factors that contribute to, and explain, variation across age groups;
- barriers to training which older persons face; and

:: initiatives that have been undertaken to enhance older people's training opportunities and success.

2.2 The Incidence and Determinants of Participation in Training by Older Workers

Research into both the incidence and determinants of training among older workers, and how the incidence compares with younger workers, is reviewed in this section. We begin by briefly discussing the different theoretical perspectives for the relationship between age and training. The major survey-based research, both in Australia and overseas, which present descriptive information on how training incidence varies with age are then summarised. Finally, empirical studies into the determinants of training incidence (and length of training) that include in their examination the relationship between training and age (even if only as a by-product of that research) are reviewed. A key feature of this final component is a discussion of the role that other variables, such as educational attainment and occupation, may play in moderating the observed association between age and participation in training.

2.2.1 Theoretical Perspectives

The majority of theoretical discussions on access to training of older persons centre on human capital theory (see Becker 1964; Mincer 1962, 1974). The key assumption underlying this theoretical framework is that training on the part of both the employer and the employee is an investment decision that is based on cost-benefit considerations. Training is observed when there are deemed to be net positive benefits to either (or both) the individual or the firm. For employers, the benefits from training accrue in the form of increased productivity and in turn, increased profitability. Alternatively, the costs that an employer bears in providing training may include course fees, instructors, additional supervision time and foregone output during training. The main benefits for workers who participate in training are considered to be increased promotion and career opportunities, and higher earnings. However, training tends to involve costs for the employee as well, particularly in the form of foregone (or lower) earnings while training (or the loss of leisure time if undertaking training in their own time).

As a result of the costs involved in training provision, the human capital perspective argues that employers do not randomly provide training opportunities to workers. Instead, training is offered to workers when the costs of that training are lower than the long-term benefits the firm expects to derive from providing the training. Likewise, employees do not indiscriminately participate in training; instead, they undertake those training activities which they believe will be advantageous to them. The extent to which the training is expected to benefit the firm and the employee is said to be dependent on two factors: (i) perceptions of length of future job tenure; and (ii) the likely effectiveness of the training.

Looking first at expected job tenure in relation to older persons, human capital theory argues that older employees have fewer years of employment in which to recoup (via pay and promotions) any costs of training they incur, and thus they will be both less motivated to seek out training and less willing to accept offers of training from their employer. Employers, on the other hand, are thought to be likely to view the length of job tenure of older workers as shorter than that of other workers, thus limiting the length of time over which they can amortise any training investments they make. It does, however, need to be recognised that older workers exhibit much greater employment stability than younger workers and hence the length of job tenure after training may actually be greater for older workers than younger workers (OECD 1998a, p. 130). As a result, we may well expect non-linear relationships between training investments and age, with training levels lowest among both the very old and the very young.[2]

Older workers will also be less likely to be provided with training if the cost of providing training to older adults is greater than that for younger adults, as would occur if training ability declines with age. Note that the crucial issue here is whether or not employers *believe* training ability declines with age. Human capital theory itself has nothing to say about the *actual* relationship between age and learning ability.

On balance, from the human capital perspective there are good reasons to expect lower levels of investment in training in respect of older workers. Moreover, such investment decisions are entirely rational. That is, lower levels of participation in training by older workers do not necessarily reflect an under investment in training by either those workers or employers of those workers. Instead, training outcomes reflect choices and decisions made over the life cycle, with investment in training and education concentrated in the early years of labour market participation in order to maximise the length of period over which those investments can be recouped. Thus, an accurate assessment of whether different cohorts of workers have been disadvantaged in the training process requires data not just on recent training activities, but on training activity experienced throughout working lives. Such data, of course, are extremely rare and hence explains why we are forced in this study to draw inferences based on comparisons of the recent experiences of workers from different age cohorts.

The question that human capital theory of courses poses is, can we be sure there is a problem? Even if we observe lower rates of training participation among older worker cohorts this does not in itself indicate that those workers are disadvantaged. There are two main counters to this argument. First, there are good reasons to expect that the relationship between training investment and age may be changing over time. It has been argued, for example, that given the speed at which technological change is occurring in today's labour market, the value of training extends for a much shorter time than in the past (e.g., Cau-Bareille & Marquié 1998; OECD 1998a, p. 130). As a result, it follows that the tenure argument may be less applicable today than it was in the past.[3] Second, there are good reasons to expect that in the future working lives will become longer rather than shorter. This arises from a combination of factors including rising life expectancy, changing population demographics and changes in policies affecting retirement incomes. In this environment, decisions made many years earlier may give rise to sub-optimal levels of investment in training.

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[2] Various authors have attempted to dispute the tenure argument in the human capital theory by pointing to the fact that the total length of tenure of older persons is much greater than that of younger persons (e.g., Cau-Bareille & Marquié 1998; NSW Department of Industrial Relations and Employment 1990). This is irrelevant. The relevant length of tenure for training decisions is that which follows the training; this is the only time period over which training costs can be recovered.

[3] It is also often claimed that changes in the nature of employment has reduced job stability, thereby further enhancing the need for further training during working lives. Empirical evidence, however, indicates that there has been no trend decline in average job tenure nor has the proportion of persons in short-term jobs increased (see Wooden 1998).

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Second, in addition to human capital theory, other arguments have also been put forward to explain why the probability of participating in training is lower for older persons and, more importantly, why these lower rates may be sub-optimal. First, it is possible that older workers are disadvantaged as a result of age-based discrimination. Cain (1986) defines age discrimination as lesser opportunities for older workers that do not reflect lower productivity. The argument here is that due to negative age stereotypes, employers may be less likely to make training offers to older persons. Furthermore, employee views regarding the value of undertaking training will be affected by expectations of discrimination, thus reducing their desire to participate in training. That is, older workers will assume either that they will not be given the same training opportunities as younger workers, or that the training will have little effect on future employment prospects or earnings.

Third, it has been argued that institutional traditions play a role in the observed trend regarding age and the likelihood of participating in training. For instance, Green (1993a) believes that, rather than reflecting an analysis of the costs and benefits of training older workers, training is concentrated among the young, new labour market entrants, because this '... is an institutional feature with historical origins in the apprenticeship system and in traditional sluggish attitudes to retraining for older workers' (p. 105).

Finally, labour market segmentation models (see Doeringer & Piore 1971) might also be used to account for the lower levels of training of older persons (though no discussions in the literature were found that turned to this model to explain age differences in training). In this model, access to training is determined by the nature of the job itself, with jobs falling into one of two sectors: the primary sector, which is characterised by quick promotions and job-related training, and the secondary sector, where there are few training opportunities and little chance of promotion. In attempting to apply this model to observed relationships between older workers and training, it cannot be argued that older workers are more likely than their younger counterparts to be in the secondary segment of the labour market (since a large proportion of older workers hold positions in the primary labour market). However, it can be argued that if older workers do lose their job (as a result, for example, of structural change), it is often very difficult for them to obtain another job in the primary labour market, especially if considerable training is required for the position. Thus, a sizeable proportion of displaced older workers may only gain access to the secondary labour market and, in turn, this may help explain lower training opportunities among older workers who have been forced to change jobs late in life. While no direct test of this hypothesis exists, American evidence does show that not only do older workers who change jobs gain smaller wage gains than other workers (e.g., Hutchens 1993; Shapiro & Sandell 1985), but also that recently hired older workers tend to be clustered in a smaller set of industries and occupations than both newly hired young workers and all older workers. These results suggest that job opportunities are likely to be far more limited for older workers (Hutchens 1988).

2.2.2 Descriptive Research

While a fair number of studies have focused specifically on access to training among *younger* workers (e.g., Altonji & Spletzer 1991; Lillard & Tan 1992; Lynch 1992; Miller 1987), this is not the case for older workers. As a result, considerably less information is available on the participation patterns of older workers in training. This is particularly true when attempting to locate research that provides descriptive data on ageing and training.

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Nevertheless, from an Australian perspective there are two data sources that are particularly valuable — the various surveys of training and education experience conducted by the ABS and the International Adult Literacy Survey.

The ABS Surveys of Training and Education Experience

The major sources of training information in Australia that include extensive details on the characteristics of individuals are the three surveys of training and education experience undertaken by the ABS in 1989, 1993 and 1997. As described in Wooden (1995), these surveys involved relatively large nationally representative samples of households and all yielded well in excess of 20 000 completed interviews.[4] The scope of the surveys (at least in the two most recent surveys) was persons aged 15 to 64 years who had worked as wage or salary earners during the previous 12 months or who, at the time of the survey, were unemployed or had at least some marginal attachment to the labour force (i.e., expressed a desire to work).

A summary of published data from these three surveys, disaggregated by age group and training type, is provided in Table 2.1. The three types of training considered here, as defined by the ABS (1998) are:

1. in-house training — formal training courses mainly attended by people working for the respondent's employer;
2. external training — attendance on formal training courses where the other course participants were not employees of the same business which employed the survey respondent; and
3. unstructured on-the-job training — which covers any informal activities undertaken to improve job skills (e.g., being shown how to do the job, watching others, asking questions of co-workers, or teaching oneself).[5]

Table 2.1 reveals that for all three types of training considered, the participation in job-related training over a one-year period is much lower among older adults than young adults. In the case of the two structured types of training, however, it is only the oldest cohort — aged 55 to 64 years — who appear to be at a sizeable disadvantage. Participation rates among 45 to 54 year olds are not substantially different from the rates of younger cohorts.

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[4] In 1997, the effective sample involved 13 800 dwellings and yielded approximately 22 700 completed interviews (ABS 1998, p. 80).

[5] The definitions used in the 1989 and 1993 surveys actually differ markedly from those used in the 1997 survey. The overall effect of these definitional changes on the comparability of the data over time, however, is believed to be quite small.

Table 2.1 Participation in job-related training during past year by age and training type, 1989, 1993 and 1997, Australia (% of persons who had a wage or salary job in previous year)

Age group	**In-house training**			**External training**			**Unstructured (on-the-job) training**		
	1989	1993	1997	1989	1993	1997	1989	1993	1997
20–24	34.2	26.7	29.3	8.0	9.4	19.4	85.8	89.9	84.5
25–34	39.6	33.2	37.0	11.9	13.0	21.4	76.0	85.3	77.1
35–44	40.2	37.8	38.8	12.0	14.5	23.9	68.1	82.2	73.5
45–54	31.5	33.0	36.3	9.3	12.2	20.6	56.5	74.1	66.3
55–64	20.4	23.2	25.0	4.7	7.7	14.2	40.9	56.3	54.8
Total[a]	34.9	31.3	33.0	9.8	11.8	20.0	71.8	81.8	71.6

Note: a The 1997 survey is not directly comparable with the earlier two surveys, with the most important difference being that the first two surveys, but not the third, excluded persons aged 15 to 20 years who were still at school. We take account of this difference in our analyses in Chapter 3.

Sources: ABS (1990, 1994, 1998).

Of some interest, comparison across the three surveys suggests that the relative position of older workers has improved over time. This is especially true with respect to in-house training and unstructured training where participation rates for the oldest age groups are much higher in 1997 than they were in 1989. In contrast, among the 25 to 34 year olds, participation rates have either remained steady or fallen slightly. This trend is potentially of large importance, and has obvious ramifications for policy development. Surprisingly, to date it appears to have gone unnoticed. Further analysis of this trend, together with an attempt at a partial explanation, is provided in Chapter 3.

The International Adult Literacy Survey

An issue that has attracted widespread comment in the past is whether Australia is a low training country. The conventional wisdom during the 1980s and early 1990s was that this was so (see, for example, ACTU/TDC 1987), and this belief was a major rationale for the introduction of the training levy by the federal government in 1990. The evidence usually provided in support of this view, however, came from a relatively obscure paper produced at the now defunct Bureau of Labour Market Research, which presented data on the estimated proportion of GDP accounted for by private sector investment in training for four countries — Australia, the United States, Japan and West Germany (Curtain, Krbavac & Stretton 1986).[6] According to these data, private sector investment in education represented about 0.8 per cent of GDP in Australia in 1980. This compared with 1.5 per cent in the US, 1.9 per cent in Japan and 2.1 per cent in West Germany.

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[6] Baker and Wooden (1992b), however, point to other more indirect evidence in support of this claim.

During the 1980s, however, many countries began to collect their own data on worker participation in job-related training, often via household surveys, thus providing an arguably more objective source of data for international comparisons. International data of this type were first reported in OECD (1991) and, at first glance, suggest that Australia is actually one of the better training countries. However, as the OECD (1991) makes only too clear, the methods used for generating these data vary so greatly across the different countries that international comparisons are virtually useless. Different definitions, reference periods, population scopes and survey methods all combine to mean that observed cross-national differences in training incidence are more likely to reflect the differences in the way data are collected rather than differences in the incidence of training.

More recently, however, this problem has been at least partly overcome with the administration of the International Adult Literacy Survey (IALS), in 1994 to 1995, which used almost identical survey methodologies and instruments in 11 different countries, including Australia.[7] In terms of measuring training incidence, however, the IALS does have a major weakness. The principal training question in the survey reads as follows:

> *During the past 12 months ... did you receive any training or education including courses, private lessons, correspondence courses, workshops, on-the-job training, apprenticeship training, arts, crafts, recreation courses or any other training or education?*

Subsequent questions then asked about training undertaken for career- and work-related purposes.

As it reads, the initial training question is extremely broad, covering a wide range of training activities. However, all of the immediate follow-up questions relate to *formal courses*, and hence it is extremely unclear to what extent responses are dominated by episodes of formal structured training (versus formal and informal training as per the initial question). Perhaps more importantly, uncertainty among respondents themselves about exactly what was covered by the training questions is likely to have led to considerable variation across respondents in the types of training activities they included in their responses.

Leaving aside these measurement problems, the survey findings reveal that Australia ranks slightly above average in terms of incidence of job-related training participation of employed persons. O'Connell (1999), reports that 38.1 per cent of employed adults aged 25 to 64 years participated in job-related training in Australia during the year prior to survey. This compares with the ten-country mean of 34.4 per cent, with Australia ranking above Belgium, Canada, Ireland, the Netherlands, Poland and Switzerland, but below the United Kingdom, New Zealand and the United States. Overall, such findings would appear to contradict the widely held view that Australia under-invests in training. That said, if the UK — the country measured as having the highest incidence of job-related training (51.9 per cent of all employed adults received training) — represents best practice, then Australia is still a long way from best practice. Further, the IALS only covered a small number of countries and, as the Curtain et al. (1986) paper suggested, there are good reasons to believe that some of the countries not represented, such as Japan and Germany, may have even higher rates of participation in training.[8]

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[7] For one of the 11 countries — Sweden — it was not possible to separate job-related training from other types of training. Note further that the sample size for each country survey was not large (ranging from 2500 to 4000), thus raising concerns about the reliability of some of the estimates. For further information on the IALS, see Murray et al. (1997).

More important for this study, the IALS data can also be used to identify differences by age in the incidence of training. A summary of these data was reported in O'Connell (1999) and is reproduced here in Table 2.2. Note that young workers (those aged under 25 years) were omitted from the data published by the OECD.[9] The key feature of this table is that in all countries, except Belgium, the participation in job-related training is lowest among the oldest cohort of adult workers. Again, Australia (at 31 per cent) ranks slightly above average in terms of the incidence of training of older workers. Older workers in the US were most likely to have undertaken job-related training (43 per cent) while older workers in Poland (14 per cent) were least likely. Australia, however, compares less favourably when ratios of training incidence between middle-age workers (35 to 44 years old) and older workers are compared. The ratio of 1.4 found for Australia, the Netherlands and the UK, is the highest observed — suggesting that inequality in training incidence between mid-career workers and older workers is greatest in these countries. In contrast, Belgium, Switzerland and the US score much better, with their oldest workers participating in training at a much closer rate to that of the middle-age workers.

Data from the IALS also suggests that training incidence varies within the group of 45 to 64 year olds. The OECD (1998a, Table 4.7) examined job-related training for *all* members of the labour force, not just the employed, and distinguished between 45 to 54 year olds and 55 to 64 year olds. These data confirm that disadvantage increased with age. Taking Australia as an example, almost one-third (32.5 per cent) of 45 to 54 year olds in the labour force had participated in job-related training, compared with 25 per cent of 55 to 64 year olds. These data also reveal that the extent to which training declines with age varies from country to country, with the training incidence for those aged 45 to 54 years in some countries (e.g., New Zealand and the US) little different from that of middle-age workers. Again, however, the distinction between structured and unstructured training may be important here. As results from the ABS data (discussed earlier) suggest, if the IALS had been explicitly restricted to only cover formal training episodes, then we might well have expected differences between 45 to 54 year olds and younger adults groups to be quite small.

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[8] Interestingly, based on a range of different surveys and data sources, the OECD (1999b) recently ranked Germany well below Australia in terms of adult (25 to 54 year olds) participation in job-related training. The top ranked countries were Finland, Sweden and the UK. Australia was ranked eighth, behind New Zealand (ranked sixth), but somewhat perplexingly (given the IALS results), ahead of the US (ranked twelfth). Japan was not included in the rankings.

[9] The OECD omitted data for the youngest workers due to an inability to accurately distinguish between initial and continuing education and training. As well, there were concerns over the validity of comparing training data for youth, given international differences in initial education systems, and patterns of participation in education and the labour force (O'Connell 1999, p. 7).

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Table 2.2 Participation by employed adults aged 25-64 in job-related training by age and country, 1994-95

Country	25 to 34 years	35 to 44 years	45 to 64 years
Australia	42.9	41.7	30.7
Belgium (Flanders)	21.4	17.0	21.6
Canada	41.4	39.7	31.6
Ireland	27.5	23.6	18.8
Netherlands	36.3	35.5	25.2
New Zealand	50.2	49.4	41.9
Poland	17.0	17.6	14.4
Switzerland	35.5	32.1	28.2
United Kingdom	59.1	58.0	41.3
United States	46.2	48.1	43.3
Unweighted mean	37.7	36.3	29.7

Source: O'Connell (1999, p. 13).

The age/training patterns noted above also seem to hold regardless of gender. IALS data pertaining again to all persons — not just workers — suggest that while the level of incidence varies to some degree between men and women, for both genders the oldest workers (i.e., those aged 55 to 64 years) were least likely to have obtained training. Less recent information, but pertaining to workers only (not all adults), provides similar results (OECD 1991). That is, for each of the countries considered, the oldest group of workers (in this case, those aged 50 and over), regardless of gender, were least likely to have obtained training.

Another issue relevant to this review is the pattern of training across the life cycle — is the relationship between age and training a linear one with training decreasing with each successively older cohort, or is the relationship curvilinear with younger and older workers least likely to gain training? An OECD (1991) report argues that the answer depends on the nature of the educational and apprenticeship system in place. Thus the very high rates of training incidence among the youngest workers and the declining rates thereafter observed for both Germany and France are claimed to be related directly to the strong apprenticeship systems that exist in both countries.

In addition to the incidence of job-related training falling with age, the IALS data also suggest that time spent in training (among those who did participate in training) declines with age. As shown in Table 2.3, the mean average duration of training for 45 to 64 year old trainees for all countries (102 hours) was much lower than that for younger trainees. Further, this general pattern holds for all but two of the countries considered (Belgium and Ireland).

Table 2.3 Average hours of training undertaken by employed adults aged 25 to 64 in job-related training by age and country, 1994-95(a)

Country	25 to 34 years	35 to 44 years	45 to 64 years
Australia	164	120	96
Belgium (Flanders)	111	147	110
Canada	152	114	102
Ireland	252	186	192
Netherlands	223	138	92
New Zealand	203	149	107
Poland	190	133	106
Switzerland	148	97	83
United Kingdom	132	103	71
United States	154	111	65
Unweighted mean	173	130	102

Note: a Includes only those who undertook some training.
Source: O'Connell (1999).

2.2.3 *Multivariate Research*

Incidence of training: employee-level studies

Simple bivariate cross-tabulations of age and training may lead to misleading conclusions if age is correlated with other factors that are also associated with the likelihood of workers participating in training. In order to disentangle the relative importance of factors that may be related to participation in training, multivariate regression techniques are typically used.[10] As summarised in Table 2.4, there is now a considerable body of research evidence that has used this approach. Very few of these studies have focused in any detail on how training varies with age (but see Wooden 1996a), and certainly none have been interested specifically in the relative lack of participation in training by older workers. Instead, the focus has tended to be on differential access to training for other groups in the labour market, especially women (Green 1991, 1993a; Miller 1994; Shields & Price 1996) and immigrants (e.g., Baker & Wooden 1991; VandenHeuvel & Wooden 1996), but also casual and part-time workers (Wooden 1996a) and employees in small firms (Wooden 1996b). There are also several studies on the determinants of training more generally (e.g., Baker & Wooden 1992a; Booth 1991; Frazis et al. 1998; Greenhalgh & Stewart 1987; Shields 1998). Nonetheless, most studies that have employed individual-level data do control for age, and hence enable some assessment to be made about the relationship between age and training incidence, all other things held constant.[11]

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[10] However, such methods still do not resolve the problems that can arise due to co linearity between data items.

[11] Individual-level studies which exclude age from the list of control variables tend to be those that focus on an examination of training incidence within a particular cohort (e.g., Blundell et al. 1996; Lynch 1991).

At first blush, there appears to be general agreement that training incidence decreases with age. For example, Groot (1997) reaches this conclusion in a review of both Australian and overseas studies on the determinants of training, as does Blundell et al. (1996) in their review of the British evidence on training participation. But this simple conclusion hides many of the complexities that are evident in the literature on the topic. These complexities involve the nature or 'shape' of the association between age and training (linear or an inverted-U shape), how the type of training under consideration affects the findings, and whether the association differs according to the gender of the employee. In what follows, findings from fifteen different multivariate studies of training incidence, all of which used individual-level data and which included age as a control variable, are drawn upon in order to examine these issues. The major findings with respect to age from these studies are summarised in Table 2.4.

Considering first the nature of the association between age and training, many studies have assumed a linear relationship, usually predicated on the assumption from human capital theory that training investments will decline as the length of time over which those investments can be recouped. However, as noted earlier, human capital theory also suggests that training investment depends on the employment relation remaining unbroken.

Consequently, since younger workers tend to be highly mobile between jobs, this suggests that training incidence will also be relatively low for young workers. Many studies have attempted to allow for the possibility of a non-linear relationship between age and training. Three different approaches are identifiable in the literature. First, age is sometimes specified as a quadratic thus allowing for an inverted U-shaped relationship between age and training (e.g., Baker & Wooden 1992a; Frazis et al. 1998; Green 1991, 1993a). Second, in one study (Barron, Berger & Black 1997) age was specified in logarithmic form. While this does not allow for relatively low rates of training among both young and older workers, it does allow the level to vary with age in a non-linear fashion. Third, age is often represented by a series of discrete categorical variables, thus allowing the incidence of training to vary freely across different age groups (e.g., Greenhalgh & Mavrotas 1994; Miller 1994; Shields 1998; VandenHeuvel & Wooden 1996; Wooden 1996a, 1996b).

Overall, the weight of the empirical literature tends to support the hypothesis that levels of training participation are relatively low among older workers. Studies where age is specified have, in a linear form (Booth 1991; Greenhalgh & Stewart 1987; Shields & Price 1996), found that training incidence declines with age. In each case, the coefficient on the age variable was statistically significant. Similarly, while the results are more mixed, those studies that allow for non-linear relationships tend to also confirm that training incidence is relatively low among the oldest members of the workforce. Only Barron et al. (1997) and the OECD (1999b) report insignificant relationships, and in the case of the latter this may simply reflect the exclusion of the oldest workers (55 years and over) from the samples used. The specifications reported in Barron et al. (1997), on the other hand, contain relatively few control variables and, as a consequence, have poor explanatory power. Due to this fact, little weight can be placed on the results of this study.

The empirical research also suggests that the relationship between age and training incidence is very dependent on the type of training under consideration. The general pattern seems to be that when the measure of training being considered is unstructured on-the-job training or *any* type of training (which is likely to be dominated by unstructured training), the evidence supports the hypothesis of a linear inverse relationship between age and training participation. VandenHeuvel and Wooden (1996) is an example. Their analyses, which make use of the 1993 Australian Survey of Training and Education, indicate that the likelihood of unstructured on-the-job training falls uniformly with successive age groups, such that the probability of a teenage employee participating in such training was between 5 and 6.5 times greater (depending on the gender) than that of a worker aged 55 years or more. This pattern has also been observed in other Australian research — Baker and Wooden (1992a), Miller (1994) and Wooden (1996a, 1996b) — as well as in overseas research — Green (1991, 1993a) and Greenhalgh and Mavrotas (1994).[12] Baker and Wooden (1992a) argue that such an association between age and unstructured training makes intuitive sense — unstructured training costs the employer very little, and thus if the young worker should leave, the employer stands to lose very little.

In contrast to unstructured training, the provision of formal training is more costly, and hence employers are likely to be more guarded in their offers of this type of training. Further, younger workers themselves may be less interested in such training given high job mobility typically equates with low levels of commitment to the current employer. Thus, it is not surprising that a number of studies have found that with regard to more formal forms of training, the relationship between worker age and training incidence is curvilinear, with both younger and older workers less likely to obtain training than their mid-career counterparts (Baker & Wooden 1992a; Frazis et al. 1998; Greenhalgh & Mavrotas 1994; Wooden 1996a). Nonetheless, this is not a uniform result, with other studies reporting the incidence of formal training declining with age (Booth 1991; Greenhalgh & Stewart 1987; Shields & Price 1996), though in some cases the decline is only marked among the oldest workers (Miller 1994; Shields 1998). It is also clear that the more disaggregated the analysis, the more confusing the overall pattern of results. VandenHeuvel and Wooden (1996), for example, disaggregate their data into four types of training (and, where appropriate, consider differences between training that was supported and non-supported by the employer), as well as examine the results separately by gender. In terms of formal types of training undertaken with employer support, they found significant relationships with age only for men and only with respect to in-house training and educational study. With respect to training undertaken outside of the workplace, even if with employer support, relationships with age were insignificant (see also Wooden 1996b). Overall, however, the weight of the evidence still suggests that like unstructured training, older workers are at a relative disadvantage in terms of accessing formal types of training in the workplace.

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[12] One study (Barron et al. 1997) did not find any significant relationship between age and unstructured training (measured only as 'watching others'). However, this study is unlike the others in that only employees hired within the last three months were considered, and it is not surprising to find no significant relationship between age and unstructured training for such a select group of workers.

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Table 2.4 Summary of age results from multivariate studies on the determinants of training participation

Study	Data	Dependent variable	Results on age
Baker & Wooden 1992a	Australian 1989 How Workers Get Their Training Survey	(i)Undertook in-house training in 12 months prior to interview.	Age is entered into equations in quadratic form. Analyses not completed separately by gender.
		(ii) Undertook external training in 12 months prior to interview.	For both in-house and external training, find inverted U-shaped relationship between age and training.
		(iii) Undertook on-the-job training in 12 months prior to interview.	For on-the-job training, find probability of training declines continuously with age.
Barron, Berger & Black 1997	(i)US 1982 Employment Opportunity Pilot Project (EOPP) (ii) US 1992 Small Business Administration Survey	Incidence of: (i) off-site formal training; (ii) on-site formal training; (iii) training by watching others; (iv) training by co-workers.	Only includes newly hired workers (i.e., hired within last three months) in analyses. Logarithm of worker's age entered into equation. Analyses not run separately by gender. For only one training measure (training by co-workers) was age effect significant and negative (but only for the EOPP data).
Booth 1991	1987 British Social Attitudes Survey	Received any formal job-related training in two years prior to interview.	Age not entered as quadratic. Analyses run separately by gender. For both male and female employees, results show a significant decrease in probability of training with age.

Study	Data	Dependent variable	Results on age
Frazis, Gittleman & Joyce 1998	US 1995 Survey of Employer-Provided Training	(i) Ever participated in formal training with current employer. (ii) Participated in formal training with current employer in last 12 months.	Age is entered into equations as quadratic. Analyses not completed separately by gender. Results show inverted-U relationship between age and formal training for both measures of training.
Green 1991	British 1984 Labour Force Survey	In a given four-week period, participated in job-specific training.	Age is entered into equation as quadratic. Analyses not completed separately by gender, but age by gender interaction term included in the model. Results indicate that for men, liner decline with age until early 50s. For women, weaker effect with slower linear decline with age. Results suggest significant association between age and sex effects.
Green 1993a	UK 1987 General Household Survey	Undertook any job-related training in four weeks prior to interview.	Age is entered into equations as quadratic. Analyses completed separately by gender. For men, results indicate probability of training declines sharply with age. For women, there is a statistically insignificant decline with age.
Greenhalgh and Stewart 1987	UK 1975–76 National Training Survey	Participated in full-time training over ten-year period (1965 to 1974).	Age is entered in linear form. Equations estimated separately for three groups: men; women who were married, divorced, separated or widowed; and single women. For all three groups, the likelihood of full-time training decreased significantly by age.

Study	Data	Dependent variable	Results on age
Greenhalgh and Mavrotas 1994	UK 1987 Training in Britain Survey	Participated in: (i) any training in the last three years; (ii) training arranged or paid for by the employer in last three years; (iii) training arranged or paid for by the employer in last three years that lasted more than three days; (iv) training that was individually arranged and financed in last three years.	Age is entered as categorical variable. Equations not estimated separately by gender. Sample excludes all those who had left full-time education during the previous three years. (i) Likelihood of any training in last three years declined significantly with age. (ii) Probability of employer-provided training was highest among 20 to 21 year olds and lowest for oldest workers. (iii) Probability of employer-provided training that lasted more than three days was highest among 20 to 21 year olds and lowest for oldest workers. (iv) Age was not strongly associated with self-funded training.
Miller 1994	Australian 1989 How Workers Get Their Training	In past year, participated in: (i) structured training. disaggregated by whether in-house or external; (ii) unstructured on-the-job training.	Age is entered as categorical variable and separate equations estimated for men and women. (i) Older workers far less likely than other workers to have participated in structured training. The effect begins at around age 45 and does not vary much by gender. Disaggregating by training type causes results to weaken, with negative age effect only sizeable for workers aged 55 or older. (ii) The incidence of unstructured training falls uniformly with age. The association, however, is much weaker for women than men.

Study	Data	Dependent variable	Results on age
OECD 1999b	Data sets from 7 countries, including Australia	Measure of training depends on survey under consideration.	Only those aged 25 to 54 years are included in the samples. Age is entered as categorical variable. Equations are not estimated separately by gender. In France, Germany and Netherlands, workers aged 45 to 54 years were significantly less likely than those aged 25 to 34 years to have participated in training. No significant age results were found for Australia, Canada, Italy and Great Britain.
Shields 1998	UK Labour Force Surveys of 1984, 1989 and 1994	Undertook employer-funded training in four weeks prior to interview.	Age is entered as categorical variable. Separate equations by gender are estimated. For both male and female full-time employees, the probability of training decreased by age for each of the three years considered. The decline by age in training likelihood was also steeper for men than women. Change over time suggests a flattening of the age–training profile so that differences by age are not as great in 1994 as they were in 1984 (but more so for the males than the females).
Shields and Price 1996	UK 1992–94 pooled Quarterly Labour Force Survey data	(i) Received employer-funded training within four weeks prior to interview. (ii) Received on-the-job employer-funded training within the four weeks prior to interview. (iii) Received off-the-job employer-funded training within four weeks prior to interview.	Age is entered in linear form; separate equations estimated for male and female white and non-white employees. (i) For both white and non-white men, significant negative relationship between age and employer-funded training. Also significant negative relationship for women, but slope of decline is less steep. (ii) For all groups of male and female employees, age is negatively associated with both on-the-job training and off-the-job training. (iii) For all groups of men and women considered, results show a negative relationship between age and off-the-job training.

Study	Data	Dependent variable	Results on age
VandenHeuvel and Wooden 1996	Australian 1993 Survey of Training and Education	Participated during previous 12 months in:	Age is entered as categorical variables. Equations are run separately by gender.
		(i) in-house training;	(i) Inverted U-shaped relationship found for in-house training, but only for men.
		(ii) external training;	(ii) No significant relationship between age and incidence of external training for either men or women.
		(iii) unstructured on-the-job training.	(iii) For both male and female employees, likelihood of on-the-job training decreased with age.
Wooden 1996a	Australian 1993 Survey of Training and Education Experience	Three measures of training sanctioned by the employer: formal training, on-the-job training and educational study. Two measures of training not sanctioned by the employer: external training and educational study	Age is entered as categorical variable. Analyses not run separately by gender. For each of the five types of training considered, lowest probability of training found for those 55 years and over. Inverted U-shaped relationship found for formal training sanctioned by the employer and external training not sanctioned by the employer. For remaining three types of training, linear relationship with age observed such that older workers have lower probability of training.

Study	Data	Dependent variable	Results on age
Wooden 1996b	Australian 1993 Survey of Training and Education Experience	Participated, during previous 12 months, in:	Age is entered as categorical variable. Analyses not run separately by gender (but run separately by three categories of firm size).
		(i) in-house training;	(i) Significantly lower among both 15 to 19 year olds and 55 to 64 year olds.
		(ii) employer-supported external training;	(ii) Lower among persons aged under 25, but no variation across older categories.
		(iii) unstructured on-the-job training;	(iii) Declines in linear fashion with age, with pronounced deficit among 55 to 64 year olds.
		(iv) employer supported vocational study.	(iv) Declines in linear fashion with age, with pronounced deficit among 55 to 64 year olds.

As just discussed, many studies have focussed explicitly on training differences between men and women, and the specifications of their models allow us to determine whether the relationship between training and age differs for men and women. Overall, most of this research suggests that the relationship between age and training incidence is strongest among men. This has been demonstrated in Australian studies (Miller 1994; VandenHeuvel & Wooden 1996) and in overseas research (Green 1991, 1993a; Shields & Price 1996). Miller (1994), for example, found that while the incidence of unstructured training declined with age, the difference between older workers and younger workers was more pronounced for men than for women. Indeed, the estimated coefficients imply that the probability of a male teenager receiving such training was over 14 times that of a man aged 55 to 64 years. The comparable ratio among women was just 4 times. In the case of structured types of training, differences in size effects between the genders are much smaller, but nevertheless still show stronger effects for men. Slightly differently, Shields (1998), uses a very broad measure of job-related training, and in all cases the estimated relative decline in the incidence of training among older workers is greatest among men.

One possible explanation for the flatter age training profile of women includes their greater job mobility in and out of the labour force. As Bartel & Borjas (1977, p. 333) argue, when intermittent labour force participation characterises work experience, as it tends to in the case of married women, training investments are far less likely to bear a systematic relationship with age. Still others have pointed to the large differences in training participation between men and women at the start of their working careers as an explanation for the flatter age training profile of women. These authors argue that because employers tend to believe that young women are more likely than young men to leave their firm to care for children, young women will be relatively less attractive training propositions (e.g., Green 1991, 1993a; Shields 1998; Shields & Price 1996).

Finally, one study that deserves special comment is Shields (1998). His data, from the UK Labour Survey, were collected at three different points in time (1984, 1989 and 1994), and thus permit the examination of how trends in access to training by older workers by gender has changed over time. A summary of results from this study is presented in Table 2.5. As noted above, the pattern of results reported here confirms that gender makes a difference in the age and training relationship, with the decline in employer-funded training incidence steeper for men than women.[13] Of greater interest for our study, the results seem to suggest that the position of older workers in terms of access to training has improved over time. This finding is consistent with earlier descriptive results available from the ABS surveys for Australia.

Overall, the substantial body of empirical research on the determinants of training suggests four main conclusions:

i. Older workers are typically less likely to receive, and participate in, training.
ii. The relationship between age and training varies with the type of training being considered, with a more or less negative monotonic relationship existing between age and the incidence of unstructured types of training. For more

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[13] For instance, Shield's research indicates that in 1994, the likelihood that a male aged 55 or over received employer-funded training was only 15 per cent of the likelihood of a teenage male (controlling for other factors). For women, the corresponding percentage was much greater — 54 per cent.

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structured types of training, the relationship is less clear, but the majority of studies appear to suggest that it is mid-career workers who fare best.

iii. The age training profiles described above are more characteristic of male workers than female workers. For the latter, the relationship is flatter.

iv. Though rather more speculative, there is recent evidence to suggest that the relative position of older workers may be improving over time.

The incidence of training: employer-level studies

The studies discussed above are all based on data collected from individual workers. As such, they possess the serious disadvantage that firm-level variables, which can be expected to be of critical importance in determining training provision, cannot be controlled for very well. On the other hand, studies that have employed firm-level data are not well suited to capturing differences in individual worker characteristics and, as a result, often do not even attempt to control for the influence of differences in worker age (e.g., Green, Machin & Wilkinson 1999; Knoke & Kalleberg 1994; Lynch & Black 1998; Osterman 1995). Nevertheless, there are some exceptions. Boon (1998), for example, found the likelihood of a firm providing training in his sample of almost 5000 Dutch manufacturing firms to be inversely related to average worker age. Similarly, using data from the 1989/90 Australian Workplace Industrial Relations Survey, Kennedy et al. (1994) found that the incidence of training was inversely associated with the proportion of the workforce over 50 years of age. Both of these studies, however, use simple dichotomous measures of training, and hence the findings with respect to age are of little interest given that the employment of young employees will, almost by definition, require at least some form of training, even if it is only induction training.

Table 2.5 Predicted probability of training for full-time workers in the UK, by age and gender (other factors held constant), 1984, 1989 and 1994

Age group	Males			Females		
	1984	1989	1994	1984	1989	1994
16–19 years	0.315	0.318	0.355	0.132	0.165	0.211
20–24 years	0.105	0.162	0.155	0.079	0.133	0.163
25–29 years	0.063	0.110	0.134	0.054	0.113	0.152
30–34 years	0.051	0.100	0.124	0.078	0.106	0.131
35–39 years	0.050	0.093	0.109	0.074	0.149	0.154
40–44 years	0.042	0.082	0.101	0.068	0.113	0.156
45–49 years	0.038	0.075	0.088	0.056	0.121	0.124
50–54 years	0.029	0.060	0.077	0.041	0.099	0.105
55 years	0.019	0.038	0.052	0.024	0.080	0.114

Source: Shields (1998).

Potentially more interesting are variables that measure the intensity of training effort. Such data are available in the Training Expenditure and Training Practices Surveys conducted periodically by the ABS, and are the data used in a study by Baker and Wooden (1995/96). Consistent with the results reported in Kennedy et al. (1994) and Boon (1998), Baker and Wooden found that after controlling for various firm characteristics, enterprises with large concentrations of older workers (over 50 years of age) were less likely to report providing formal training programs to employees. However, measures of training effort — training expenditure per employee and training hours per employee — were not found to be associated in any obvious way with the concentration of older workers in the workforce.

This latter finding thus contrasts sharply with the findings from the studies using individual-level data. It is, however, difficult to attach much weight to the Baker and Wooden finding. Their result regarding training effort has yet to be replicated. Further, the data set used was far from ideal, with relatively few control variables available for inclusion. Finally, while individual-level data may not be ideal, neither nor are studies based exclusively on workplace- or firm-level data. Instead, future research needs to identify data sources that can better match employee data to firm data. The 1995 AWIRS provides such data, and indeed these data were the source of the Australian results reported in the OECD (1999b). Unfortunately, and as noted above, this analysis was not helpful in identifying the significance of age effects since the oldest workers were excluded.

The role of intervening factors in the age–training relationship

A key question of interest in this study is why older workers are less likely to be exposed to training. In most of the studies discussed above age was simply included as a 'control' variable on the grounds that the relative costs and benefits from training are correlated with age. That is, the empirical studies typically applied a very restrictive functional form upon their specifications. With the exception of gender, and one study that allowed for age to interact with employment status (Wooden 1996a) and another that allowed it to vary with firm size (Wooden 1996b), the explanatory variables are assumed not to interact with age when impacting on training incidence. As we have observed with respect to gender, however, this may not always be a sensible assumption. This, of course, is not a problem for most researchers; they have not been especially interested in why it is that older workers are excluded from training.

Apart from gender, other variables that are known to be associated with training incidence and which are also thought to be related to age include education, hours of work and employment status, experience and job tenure, firm size, occupation and industry. It is well accepted, for example, that those with higher levels of educational attainment are more likely to receive training in the workplace (Groot 1997). Education indicates that an individual possesses an aptitude for learning, thus making training more cost effective. In addition, high education levels are thought to suggest an interest in learning, implying a greater willingness to undertake training (Lynch 1992). Thus, the lower average levels of formal education among older persons (see OECD 1998b, pp. 85-87) may provide at least part of the explanation for the lower incidence of training among older workers.[14]

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[14] ABS data reported in Chapter 3 (Table 3.3) indicate that in May 1998 almost 64 per cent of persons aged 55 to 64 years were without post-school qualifications. Among 25 to 34 year olds, the comparable figure was only 48 per cent.

Hours of work are also likely to be associated with the observed age–training profile. Part-time employment is most common among both younger and older workers (VandenHeuvel 1999), and is associated with a lower likelihood of participation in training (Baker & Wooden 1992a; Greenhalgh & Mavrotas 1994; Groot 1997), especially among women (Booth 1991; Green 1993a). Closely associated with hours of work is employment status — that is, whether the employee is a permanent worker or a casual employee. While the rates of casual employment among older workers was similar to that of mid-career workers in the mid-1980s, the current picture is quite different, with casual employment now relatively more common among older workers (see Chapter 3). Further, Australian studies have consistently found that casual employment is negatively associated with training incidence (e.g, Baker & Wooden 1992a; Miller 1994; VandenHeuvel & Wooden 1996).

The importance of hours of work and employment status for the relationship between age and training is highlighted in the work of Wooden (1996a). He re-estimated his training equations (using data from the 1993 Survey of Training and Education) after replacing the age and employment status terms with 23 variables capturing the interactive effects between six age categories and four employment status categories. He found that the relationship between age and the likelihood of training was affected by employment status. In particular, the incidence of formal training among full-time permanent workers was lowest for both the youngest and oldest members of the workforce. In contrast, the type of training varied relatively little with age among casual workers. However, and as might be expected, the incidence of almost all types of training was much lower among casual employees than permanent employees. Consequently, increased growth in the casual employment share among older workers can be expected to contribute to declining training participation within this group.

Experience and tenure are additional variables that almost certainly intervene between the age–training incidence relationship. Indeed, given the high degree of co-linearity between work experience and age, one could question whether these effects can be easily separated within the multivariate research, especially given the restrictive functional forms that are estimated.

Thus far, we have highlighted factors that may be related to the depressed rates of training observed for older workers. In contrast, two factors that may be working in the opposite direction are firm size and occupation. Older workers (especially those aged 45 to 54 years) are somewhat more likely than younger workers to be employed in larger firms (Wooden 1996b), and at the same time, workers in larger firms are more likely to participate in training (Baker & Wooden 1995/96; Groot 1997; Wooden 1996a, 1996b). Note, however, that research has found that in terms of access to training, older workers are not treated any differently in large firms than in small firms (Wooden 1996b).

Similarly, older workers are relatively more likely to be employed in occupations requiring high skills, such as managers, professionals and associated professionals. In turn, results from a number of Australian and overseas studies suggest that those in more advanced occupations have an increased probability of gaining training (e.g., Baker & Wooden 1992a; Green 1993a; Groot 1997; Shields & Price 1996). The over-representation of older workers in both large firms and skilled professions should thus work in favour of their gaining access to training.

Yet another important variable is likely to be industry. Older workers are usually assumed to be over-represented in declining industries and thus most exposed to displacement (e.g., BLMR 1983). While this obviously signals a greater need for training and skills updating for workers in these industries, the benefits to employers in these industries from providing such training is likely to be relatively small.

Overall, there are a large number of reasons that could explain why older workers are disadvantaged in the training process. In other words, the disadvantage they experience may simply reflect other characteristics associated with older workers, rather than a function of age per se. Unfortunately, no empirical studies have attempted to quantify the relative importance of differences in the characteristics of older and younger workers from the influence of possible discriminatory behaviour by employers. This is perhaps surprising given that it would seem a relatively simple task to separate the data samples according to age and apply the conventional decomposition methods that are used frequently in the applied labour economics literature.

Training time

Thus far, our review of results from multivariate studies has dealt with the incidence of training according to age. Five studies, however, have reported results from estimations of models of training time. Unfortunately, the results of these studies are very mixed and do not enable a clear conclusion to be reached. Indeed, perhaps the main conclusion that should be drawn is that training time is difficult to predict on the basis of observable individual characteristics.

An Australian study by Baker and Wooden (1991), for example, estimated a sample selection model (i.e., non-participants were selected out and the resultant bias controlled for) of training hours over a one-year period and found no evidence of a significant association between age and training duration for either in-house training or external training courses. Similarly, Miller (1994), who used the same data as Baker and Wooden (1991) but applied a different analytical technique (the Tobit), could find little evidence of strong associations with age, and what associations were evident were actually positive. More importantly, the statistical fit of the equations in both studies was extremely poor, which Miller suggests might reflect the fixed length of many training courses. Green's (1993a) UK study leads to similar conclusions — age effects are insignificant, but overall the model is poorly determined.

Very differently, in an earlier study by Green (1991), there is a significant relationship between training hours and age, with hours declining with age before rising again for the oldest workers (over 50 years). The model, however, is still poorly specified. Similarly, Barron et al. (1997) report a significant negative relationship between training hours and age in one of the two samples they used in their analyses.

Overall, it seems unwise to give these findings much weight. Not only is this area of research poorly developed and the results mixed, it seems unlikely that future research in this vein will lead to much improvement — it would appear extremely difficult to predict the number of hours spent on training based solely on demographic and employment characteristics (Baker & Wooden 1991; Miller 1994; Vanden Heuvel & Wooden 1996). Any further research in this area would need to be able to go beyond the usual array of explanatory variables in to explain training duration, and even then, there are good reasons to be sceptical about the likelihood of being able to improve the explanatory power of these models.

Conclusion

As noted earlier, this review of the multivariate literature on the likelihood of workers participating in job-related training leads to four clear conclusions. First, we can confidently conclude that older workers are typically less likely to receive, and participate in, training. Second, this relationship between age and training varies with the type of training being considered. Third, the age training profiles differ between male and female workers. Finally, there is evidence from the UK to suggest that the relative position of older workers may be improving over time, and such findings are consistent with the descriptive evidence available from the Australian surveys of training and education experience.

Despite the amount of research that has been undertaken, the research still suffers a major weakness — no studies have focused explicitly on trying to explain age variations and as a consequence, we know very little about the reasons why older workers receive less training. It is not difficult to hypothesise about likely explanations, but new research is needed to quantify the relative importance of the different factors at work. Further, any new research needs to give greater consideration to the role played by employer characteristics. To date, research has overwhelmingly emphasised individual characteristics. This, however, could well be a serious weakness given the widespread view (documented below in Section 2.3.1) that it is the attitudes and behaviour of employers that account for much of the training differential between younger and older adults.

2.3 Barriers to Training for Older Persons

As we have just seen, the empirical research indicates very clearly that older workers are less likely to access training, even after controlling for other characteristics of workers. What factors explain the existence of this differential? The literature suggests the types of barriers older workers face in accessing work-related training can be grouped into three categories — employer attitudes, differential learning ability, and the attitudes of the older workers themselves.

2.3.1 Employer Attitudes

It is well recognised that many managers (and indeed the community more broadly) hold stereotyped views about the productive potential of older workers. The existence of age-based stereotypes has been confirmed by a number of experimental studies. The seminal study is that of Rosen and Jerdee (1976a). In this study, two groups of individuals (business students and real estate agents) were asked to evaluate an 'average' 60 year-old and an 'average' 30 year-old on four job-related dimensions. The study participants consistently rated the younger person higher on the performance capacity and potential for development dimensions, but lower on the stability dimension. No age stereotypes were associated with interpersonal skills. These sorts of findings have been replicated in many studies (e.g., Avolio & Barrett 1987; Cleveland & Landy 1981; Crew 1984; Ferris et al. 1985; Finkelstein & Burke 1998), and have been confirmed in a recent meta-analysis (Finkelstein, Burke & Raju 1995). Finkelstein et al. (1995), for example, report that in studies of ratings where there is no job-relevant information available to the raters, there is an average mean correlation between age and job qualifications of -0.28 (based on 12 studies), between age and potential for development of -0.81 (five studies), and between age and job stability of 0.40 (four studies).

Rosen and Jerdee (1976b) also demonstrated how such stereotypes can influence management decisions. They presented the participants in their study with a series of hypothetical work incidents and compared how the recommended actions of the participants differed according to the age of the worker involved in the incident. The results confirmed the presence of age-based stereotypes (i.e., older workers were seen as more resistant to change, less creative, more cautious, less physically able, less interested in technological change, and less suitable for training). More importantly, the actions recommended by the participants (e.g., greater promotion prospects for younger workers, reassigning older workers confronted by technological change, and greater likelihood of termination of older workers) indicated that such stereotypes can have marked adverse consequences for the future career development of older workers.

There have also been numerous survey- and interview-based studies of employers that are often cited as providing yet further evidence of the age discrimination implicit in managerial decision-making. That said, the evidence assembled in this body of research is actually quite mixed. In Australia, for example, while the survey-based research reported in Reark Research (1994) and in Steinberg et al. (1996, 1998) is generally seen as providing support for the prevalence of ageist stereotypes, data collected from South Australian employers (Divito 1994) suggest that employers perceive older workers in a very positive light. Somewhat differently, the interview-based research undertaken for the Commonwealth government by Artcraft Research (1989) suggests a mixed picture, with the conclusions of that report acknowledging 'considerable goodwill' among employers towards older workers, and evidence of both positive and negative attitudes. Thus, while the attitudes of many managers continue to reinforce conventional negative stereotypes — work performance functions deteriorate with age, older workers are more predisposed to illness and accidents, and so on — this is offset by other more positive stereotypes — older workers have better developed skills, are more stable and likely to stay longer with the firm, are more reliable and loyal, and are more likely to both understand, and comply, with management directives. This characterisation of management attitudes towards older workers as being ambivalent appears to be shared by a number of overseas studies (e.g., AARP n.d.; Barth, McNaught & Rizzi 1993; Warr & Pennington 1993). That said, it could be reasonably argued that information collected from employers is bound to understate the extent to which employers hold discriminatory attitudes. Individuals, for example, when surveyed or interviewed, typically report perceptions that suggest extensive discrimination by employers against older workers in the hiring process (e.g., Encel 1998; Encel & Studencki 1997; McAuley 1977).[15]

Of course, more important than the mere possession of stereotyped views by employers is the accuracy of such views. In many cases, it is clear that the stereotypes are not justified on the basis of objective evidence.[16] The most obvious example here is the often assumed inverse relationship between age and work performance. This relationship has been the subject of a vast amount of research, with reviews of this research all reaching the same conclusion: existing evidence is not able to demonstrate a consistently strong relationship between age and job performance (Rhodes 1983; Stagner 1985; Warr 1994). Even more convincing, meta-analyses of the relationship between age and work performance report average correlations close to zero (McEvoy & Cascio 1989; Waldman & Avolio 1986), though with considerable variability across studies.

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[15] Further confirmation is provided by a large 1993 survey of individuals in member countries of the European Community (cited in OECD 1998b, p. 88).

[16] A recent review of the stereotyped views that managers form with respect to older workers and the accuracy of such perceptions can be found in Bennington and Tharenou (1997). Interestingly, while Bennington and Tharenou are able to refer to a wealth of

This is not to say that performance cannot decline with age under certain conditions and in certain settings. Waldman and Avolio (1986), for example, point to the type of work as an important intervening factor — a negative age–performance relationship was found among those in non-professional jobs but not for workers in professional jobs. Relatedly, various studies have suggested that it may be the complexity of the job that is the key factor, with the greater challenge and skill development intrinsic to more complex jobs leading to better job performance (e.g., Schooler 1987; Waldman & Avolio 1993). Finally, numerous studies have noted the moderating effect that experience has on the age–performance relationship, with experience typically positively associated with performance (e.g., Avolio, Waldman & McDaniel 1990; McDaniel, Schmidt & Hunter 1988). Warr (1994) brings many of the elements of these findings together in a new model which predicts a positive correlation between age and performance in jobs which are not too demanding of 'basic capacities' (such as speed of information processing and effectiveness of sensory mechanisms) and where performance benefits from experience. This would include, for example, jobs that are largely knowledge-based and do not involve substantial time pressures. At the other extreme, work performance is predicted to decline with age in jobs which assign a large weight to basic capacities and where experience is of little help (such as jobs involving continuous paced data-processing, rapid learning or heavy lifting). Between these two extremes are intermediate cases where the relationship between work performance and age is expected to be weak. This includes jobs where experience is of little importance but where the requirements of the job are not very demanding (age-neutral activities), or jobs where the demands on basic capacities are onerous but this is offset by a large experiential effect, such as skilled manual work (age-counteracted activities). In summary, Warr's analysis highlights the importance of job characteristics in moderating the relationship between age and job performance.

Unlike work performance, however, the research on training performance, discussed in the section to follow, is far less equivocal — older workers typically take longer to learn new skills and typically benefit less from the training process. The stereotyped view that older workers are more difficult or more costly to train may, therefore, be entirely justifiable. Unfortunately, most (if not all) of the survey-based studies do not provide sufficiently adequate data to assess this claim. There are a number of problems with this body of research. First, results are mixed. Both Divito (1994) and Legge and O'Loughlin (1996), for example, have reported results that suggest that employers do not regard older workers as less suitable for training. In the Divito (1994) study, for example, the large majority (79 per cent) disagreed with the statement: 'Older workers do not have the ability to learn and develop new skills'. That said, the statistical rigour of both the Divito and the Legge and O'Loughlin studies are open to serious question. Certainly the samples used in both are

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evidence confirming the invalidity of most of these views, their discussion of training clearly leaves the argument that older workers are more costly to train open for debate.

extremely small (only around 100 employers) and can hardly be claimed to be representative of the broader population of employers.

Second, even if these studies producing 'favourable' findings are discounted (e.g., on the grounds of lack of statistical rigour), it is still extremely difficult to interpret employer responses. As an example, consider the research findings reported in Taylor and Walker (1994, 1995). They summarised the results of a postal survey of 500 large firms in the UK and reported that a great many employers — 43 per cent — believed that older workers are 'hard to train'. But what are we to make of this finding? What proportion of employers would have responded that teenagers are hard to train? And in any case, is it reasonable to assume that such responses are unwarranted, as Taylor and Walker claim? The Australian study of Steinberg et al. (1996) offers an interesting comparison. They too make much of a similar finding, with 39 per cent of their relatively small sample of Brisbane employers reporting that 'older employees can be hard to train'. However, they also report results from a community-based survey of employees. Of this sample, close to one-third agreed with the statement that older employees can be hard to train. While the difference between the mean employer response and mean employee response is statistically significant, it might have been expected to have been even greater. Indeed, if the 'heroic' assumption is made that employee responses are more objective than employer responses, then it might be concluded that only a very small minority of employers have under-estimated the economic potential from investing in the training of older workers. Of course, the assumption that employees are better placed than firms to estimate the costs and benefits from training older workers would be very unrealistic. Employees typically do not have access to the information necessary to make such assessments, and unfavourable stereotyped views about older workers are held by many members of the community, not just employers.

Recent US studies by both Barth et al. (1993) and the American Association of Retired Persons (AARP n.d.) arguably provide better tools for assessing employer attitudes. Unlike most earlier studies, in these two studies respondents were requested to make their assessments relative to some 'average worker'. Both studies suggest that employer assessments of older workers are far more mixed than the stereotyped view would suggest.[17] In the Barth et al. survey, older workers, for example, were rated more favourably than the 'average' worker on work attitudes, labour turnover, absenteeism and overall level of job skills. Conversely, they were rated less favourably with respect to health care costs to the company, flexibility, and suitability for training. The AARP (n.d.) study reaches similar conclusions, but with one notable exception — older workers did not fare especially poorly on suitability for training, with 15 per cent rating older workers as above average on this criteria compared with 21 per cent that rated them below average (again bear in mind that these percentages are based on a very small sample). This finding with regard to training is consistent with an earlier AARP study (AARP 1989) which reported that a majority of managers (from a sample of 400) were of the view that skills training for older employees would be effective in increasing their utilisation. That said, only three out of ten managers reported actively doing anything to encourage such skills development, and when the survey was repeated five years later, the ratio had actually fallen to one in four (AARP 1995). Perhaps the reason for this disparity lies in perceptions about the relative cost of training older workers. The undated AARP study, for example, reported that almost one-third of respondents rated the ability of older workers to learn new skills as below average, while none rated it as above average.

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[17] The AARP (n.d.) study involved an extremely small sample — just 38 managers from 12 different companies. The Barth et al. (1993) study, on the other hand, is based on responses from 210 different companies.

Overall, the evidence tends to confirm that managers as a group hold views that will ultimately mean reduced access of older workers to training. Recent studies, however, suggest that this may not necessarily be the case because managers believe older workers do not have the capacity for training, but because older workers are believed to experience more difficulties in learning new skills (though not all studies concur: see Divito 1994, Legge & O'Loughlin 1996). This, in turn, will impact on the expected relative cost of training older workers. While many might claim such views are discriminatory, as is documented below, they nevertheless have at least some scientific basis.

2.3.2 Learning Ability

As just discussed, older workers are commonly characterised as more difficult, and hence more costly, to train. Such stylised views are not without foundation, and are consistent with predictions from psychological models of cognitive behaviour. According to this body of theory, motor and cognitive skills, which are assumed to be crucial determinants of training performance, decline with age for at least three reasons.[18] These are:

i. a general slowing in information-processing abilities (e.g., Cerella 1990; Salthouse 1985);
ii. a general reduction in attentional resources (such as the ability to divide attention among several tasks and the ability to concentrate while filtering out irrelevant stimuli), thus reducing the efficiency with which cognitive processes can be executed (e.g., McDowd & Birren 1990); and
iii. declining work memory capacity (e.g., Craik & McDowd 1987).

Most importantly, the predictions from this theory are strongly supported by the weight of empirical evidence. Kubeck et al. (1996) employed meta-analytic techniques to review and summarise the findings from 32 different studies measuring the relationship between age and various measures of job-related training performance. The mean correlations between age and three different types of performance measures — training mastery scores (i.e., measures of assessed degree of knowledge or skill mastered), time to complete task and time to complete training — were all large and highly significant, and all indicated that training performance declined with age.[19]

Moreover, while it is often argued that the results from laboratory studies cannot be translated to real world settings, Kubeck et al. (1996) report that their main result was qualitatively unaffected by whether the study was undertaken in the laboratory or in the field. The mean correlations were smaller when only field samples were used, but training performance was still found to decline with age.

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[18] These, however, are not the only explanations for relatively poor training outcomes for older workers. Other explanations include greater fear of, and anxiety associated with training and learning on the part of older workers (Baracat & Marquié 1994) and lack of familiarity with training environments (Casey 1998).

[19] The mean correlation coefficients are as follows: training mastery: -0.26; time to complete task: 0.28; and time to complete training: 0.42.

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The results presented by Kubeck et al. (1996) are striking, and, as they observe, do not sit well with other literature emphasising the capacity for individuals to benefit from training at all points in the life cycle (e.g., Sterns 1986; Willis 1985). Kubeck et al., however, do note that at least part of the age effect may be due to pre-test differences in mastery levels. Relatively few studies (just three out of the 32) permitted comparison of pre-test effects, but taken together do suggest that pre-test differences are important. In other words, compared with younger workers, older workers are typically entering training with lower levels of mastery over the skills that are to be acquired. This is perhaps paradoxical given the greater work experience of the average older worker, but in some settings at least, can be explained by experience that is too task, or technology, specific (perhaps because of a lack of exposure to training in the past). There are certainly numerous studies that have identified greater immobility across tasks and functions among older workers (see Cau-Bareille & Marquié 1998, pp. 308–309). It may also reflect differences in educational attainment and quality, with recent worker cohorts better educated than previous generations, on average.

In light of the foregoing, perhaps a better test of the ability of older workers to benefit from training is provided not by comparing differences in the training performance of workers of different ages, but by comparing pre- and post-training outcomes for the same individuals. Unfortunately, there are very few studies that have examined pre- and post-test differences (and the majority of those that have done so are unpublished). Nevertheless, on the basis of the findings from this small group, Kubeck et al. (1996) conclude that an inverse correlation between age and skill gain exists, but the correlation (-0.09) is relatively small. In other words, older workers only benefit slightly less from training than their younger counterparts. Overall, while the meta-analysis reported in Kubeck et al. does confirm lower levels of training performance among older workers, the differences are not so large once differences in existing skills are taken into account.

The observation that training performance is moderated by pre-training skills leads directly into the literature on the role of experience in attenuating the relationship between ageing and cognitive functioning. Rigorous analysis of longitudinal survey data in a number of countries, including the US, Japan and Poland, for example, demonstrates that job conditions determine a person's opportunities to exercise self-direction in work. These job conditions, in turn, profoundly affect personality (Kohn et al. 1990). These research findings imply that the capacity of older workers to respond to opportunities for further training and/or change careers, is likely to be strongly influenced by the type of work (i.e., the extent of opportunity for self-direction in their work) they have performed during their working life.

Also relevant here is the body of research concerned with whether the effects of ageing vary with the type of cognition at which the training is targeted. A commonly used dichotomy is between so-called 'crystallised' abilities and 'fluid' abilities. The former is based on the accumulated products from processing information in the past (and hence is related to experience), while the latter relates to the efficiency of processing new information. According to Salthouse (1990), the prevailing wisdom is that ageing effects are only prominent with respect to 'fluid' cognitive abilities. This is consistent with the general theory of cognitive functioning given it is these abilities that depend most on speed of decision-making, attention and short-term memory. In contrast, crystallised abilities are derived from skills acquired with experience and general knowledge and hence accumulate with age (e.g., Horn 1982). It is thus entirely possible that it is these new 'fluid' skills which dominate the empirical studies reviewed in Kubeck et al. (1996), especially given that there is a tendency to associate training with the acquisition of new skills. However, as Casey (1998, pp. 11–12) observes, this need not always be so, and older workers may in fact benefit more than younger workers (who do not have not the same level of accumulated experience) from training that builds on existing concepts, skills and knowledge. Put more simply, younger workers may be in a better training position than older workers when the training involves new or novel activities, but not when the training involves familiar activities.

Nevertheless, and despite the intuitive appeal of this argument, empirical evidence in support of this hypothesis is relatively weak. Salthouse (1990) summarised results from 19 different studies of training that test for a correlation between a 'practice effect' and age, and found no evidence of practice-related performance improvements being larger for older workers. Such findings, however, still do not warrant rejection of the hypothesis. Salthouse emphasises the methodological and conceptual limitations of this body of research. Perhaps more importantly, the majority of the studies reviewed would appear to involve a setting in which the workers were being tested and, moreover, knew they were being tested. Very few appeared to involve on-the-job training, the setting in which it might be expected that experience would be most beneficial. In any case, as Casey (1998, p. 12) points out, many older persons have long forgotten their school room experiences and hence can be expected to feel uneasy when re-introduced to it. One study of the introduction of an advanced production control system, for example, reported that older operators felt that learning was difficult because so many years had elapsed since they last attended formal schooling (Holm 1994, p. 290).

One further variable which may be important in moderating the relationship between age and training performance, but which could not be allowed for in any rigorous way in the meta-analysis of Kubeck et al. (1996), is the way training is provided. Cau-Bareille and Marquié (1998), for example, drawing heavily on the seminal study by Belbin and Shimmin (1964), have argued that training method is crucial in influencing the effectiveness of training for older learners, and that many of the learning difficulties often ascribed to ageing are 'due in part to the use of training methods that are not suited to older workers' (Cau-Bareille and Marquié 1998, p. 304).[20]

A related issue that needs to be acknowledged here is that even if it is accepted that older workers do not benefit from training as much as younger workers, there are likely to be large variations across individuals. Indeed, the within-sample variation in the studies reviewed by Kubeck et al. (1996) was greatest for older workers. In other words, some older adults will benefit as much as, if not more than, many younger adults. Further, as Cau-Bareille and Marquié (1998, p. 301) observe, this finding of greater inter-individual variability at older ages suggests that more attention needs to be paid to the context in which training is delivered.

Finally, a weakness in many studies is that, as a result of the small samples usually involved in the experiments, most researchers implicitly assume linear relationships between age and learning ability. It may be, however, that the relationship is non-linear, falling only markedly at the end of the age distribution. Certainly there is evidence to suggest the critical period of imbalance between functional capacities and work requirements lies somewhere around 60 years of age (Ilmarinen 1994), though it may be earlier in physically demanding jobs.

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[20] On this issue, see also Sterns (1986), Sterns and Alexander (1987) and Sterns and Doverspike (1988).

In conclusion, the weight of evidence does suggest that training performance is adversely affected by an ageing effect. Less clear is the cause, and importance, of this effect. As we have seen, the magnitude of the effect is moderated by a number of other intervening variables including pre-existing skills, the type of learning activity and the context in which the training is delivered.[21] Further, it has not been clearly established at what age this learning effect becomes sizeable. The bottom-line is that in many settings and contexts, the additional cost of training an older worker compared with a younger worker may be very small.

2.3.3 Worker Attitudes

The disadvantageous position of older workers in terms of accessing job-related training may be further exacerbated by the attitudes of workers themselves. Numerous writers, for example, have pointed to the possibility that older workers may be reluctant to participate in training programs, perhaps because they: do not feel confident about the likelihood of their succeeding in a training program; are unfamiliar with training environments; or fear that they will be unable to compete with younger and possibly better educated trainees (e.g., Farr et al. 1998; Peterson 1983; Plett 1990c; Plett & Lester 1991; Sterns 1986; Sterns & Doverspike 1988; Warr 1994). Somewhat differently, some older workers may see little value from further training, either because they believe that there is no pay-off to participation in such training (e.g., in terms of enhanced future promotion prospects or employability) or because they are too close to retirement age to benefit substantially. Finally, since experience and skills accumulate with age, it may be that older workers believe that there is less need for them to undertake training.

Unfortunately, there has been relatively little systematic research of any quality undertaken into these issues. Nationally representative data from the 1993 Survey of Training and Education (SOTE), and reported in Wooden (1996a), however, do suggest greater levels of disinterest in training among older workers. For example, based on the data used in Wooden's study, 44 per cent of older workers (persons aged 45 years or over) in full-time permanent jobs who had not attended training courses during work time in the previous year indicated that the main reason for not doing so was either lack of interest or the view that training was not needed.[22] In contrast, among adults aged 25 to 44 years the comparable proportion was only 32 per cent. Moreover, in a related analysis of these data, VandenHeuvel and Wooden (1996, Appendix B) found that the likelihood of a worker indicating that training was not needed rose significantly with age, even after controlling for a host of other demographic and work-related variables (such as gender, education, occupation, tenure and industry).

Similar conclusions are suggested by survey data collected by the ABS from its May 1995 Population Survey Monitor (PSM) and undertaken on behalf of the Department of

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[21] A further moderating variable is likely to be previous exposure to formal learning environments. Thus workers with formal educational qualifications may be expected to benefit more from structured training activity than workers without post-school qualifications.

[22] For older persons in part-time and/or casual jobs the comparable figure was 61 per cent.

Employment, Education and Training (DEET 1996). Of the 454 persons aged between 45 and 64 years who participated in the survey, 58 per cent indicated that they did nor not want to participate in any type of education or training course during the next two years. The reasons most frequently cited for not wishing to participate by this group were a belief that current skills were adequate (mentioned by 38 per cent of respondents from this group) and that they were too old or too close to retirement (42 per cent).[23]

Taken at face value, these Australian survey findings would appear to conflict with survey findings reported in the US which suggest a relatively high level of interest in training among older workers, at least up to the age of 62 years (see Meier 1988, p. 179), and with assessments collected from a small sample of employers in the health sector in New South Wales (see Legge & O'Loughlin 1996, p. 92) and middle-level managers of a large multinational chemical corporation (Rhebergen & Wognum 1996). On the other hand, other more recent US research is entirely consistent with the Australian data. In a study of 715 managerial and supervisory employees of a large public sector employer, Guthrie and Schwoerer (1996) found that those employees in late career stages were far more likely to indicate that they had lower needs for training. Somewhat differently, Greenhalgh and Mavrotas (1994) reported the results of estimating a multivariate regression model predicting the likelihood of a worker in their UK sample indicating that they envisaged undertaking training in the future. Responses to this question, which they interpreted as indicative of a worker's willingness to undergo training, began to decline after about age 45 (though the magnitude of this effect was only pronounced beyond age 55).

What, then, are we to make of these findings?[24] The first point that should be made is that in terms of identifying barriers to training, the survey data are extremely crude. There are, for example, a range of possible explanations to account for the difference in responses across age groups. As noted above, lower levels of interest in training might reflect accumulated skills and experience. Alternatively, it could just as easily reflect perceptions about the relative value of participating in training, possibly conditioned by discriminatory management policies and practices. Guthrie and Schwoerer (1996), for example, found a measure of perceived training utility directly correlated with self-assessed training needs (and therefore inversely associated with age). For them, such findings suggest a need for organisations to reassess the processes and priorities that guide investment in training and skills development. Greenhalgh and Mavrotas (1994), on the other hand, view their results as consistent with the predictions of human capital theory, with older workers relatively disinterested in training due to the lack of time available to reap a return from further training investments. Some evidence in support of this hypothesis has apparently been found in a survey of 500 workers in 'pro-training firms' conducted for the American Association of Retired Persons (see Rix 1996, p. 315). In that study, workers overwhelmingly reported that recent job training had aided job performance but were far less certain that it would assist them to secure promotions or pay rises, and the proportion mentioning these positive outcomes declined with age. Of course, it is possible that without the training, the worker's prospects of continued employment may have been reduced.

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[23] The DEET (1996) report of these survey results also reported on the results of focus groups involving 93 individuals. The focus groups, however, are of limited relevance here given the numbers involved was too small to draw out inferences about differences in attitudes according to age.

[24] We suspect that this finding will also exist in household-based surveys conducted in other countries. The OECD (1998c, pp. 211-212), for example reports on data from the 1994-94 IALS which shows that a lack of interest in training among adults is a world-wide phenomenon. Indeed, of the ten countries listed, Australia had the lowest proportion of adults not involved in continuing education who also did not want training. Unfortunately, the OECD report provides no detailed age breakdowns.

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Very differently, a lack of interest in training may reflect a fear of training and a lack of confidence in the ability to succeed in training. Interestingly, it is this latter explanation which Guthrie and Schwoerer (1996) are most persuaded by, with a measure of training self-efficacy also found to decline markedly with age. Why they give precedence to this explanation over the declining utility explanation is not clear. It is true, however, that the relationship between self-efficacy in learning and age is an issue that has received considerable attention from researchers, and where a consensus does appear to have been reached. Specifically, it has been well established that poor self-efficacy is demotivating and results in both a lack of interest, and a reluctance to participate, in training (e.g., Maurer & Tarulli 1994; Noe & Wilk 1993) and lower levels of training effectiveness (e.g., Gist, Schwoerer & Rosen 1989; Noe 1986). The key question, however, is whether older workers have relatively low levels of confidence about their likelihood of success in training programs. The results reported by Guthrie and Schwoerer (1996) suggest that this is so, and the thrust of their findings is supported by a number of other firm-based studies. Hill and Elias (1990), for example, found that self-efficacy in training was positively related to such factors as previous exposure to formal training and the perceived potential for career advancement, but negatively related to seniority. Older workers are thus far less confident about their ability to learn, and these concerns are likely to be magnified if further promotion prospects appear unlikely (and it is well recognised that promotion prospects decline with age) and if there has been no recent history of participation in formal training.

With respect to the damaging consequences of low levels of self-confidence for participation in training programs, this has been found to be especially marked where the training involves exposure to new technology (see Baracat & Marquié 1994; Charness, Schumann & Boritz 1992; Holm 1994; Marquié, Thon & Baracat 1994). Moreover, this apprehension appears to promote more conservative behaviour which, according to Cau-Bareille and Marquié (1998, p. 306), contributes to a slowing down of the learning process. It follows that any initiative that can reduce pre-training anxiety among older workers will result in an improvement in training performance (see Yesavage, Rose & Spiegel 1982). Indeed, as many studies have found (e.g., Baracat & Marquié 1994; Czaja 1988; Holm 1994; Morris 1994), employees' fears generally subside following sustained exposure to the new technology and increased familiarity with the new learning environment.

Low levels of self-efficacy may also, in part, be a product of management attitudes and behaviour. As Farr et al. (1998, p. 151) argue, by acting on the negative stereotypes described earlier that depict older workers as less flexible and adaptive, and less interested in learning new skills, organisations may fail to provide the appropriate environment necessary to promote higher levels of self-confidence.

Finally, and in stark contrast to the tenor of the studies discussed above, the national survey results reported in DEET (1996) actually suggest that self-efficacy is not a significant issue. Only two per cent of all persons not indicating an interest in training in the future stated that a reason for this lack of interest was the belief that that they 'would not do well'. Moreover, the proportion was smallest among the oldest person. In other words, these survey data suggest that the main reason for individuals, and especially older persons, not wishing to participate in training was the view that training was unlikely to confer significant benefits.

Overall, there seems little doubt that the attitudes of older workers are a significant obstacle to their further participation in training. What is less clear is the extent to which these views reflect a lack of self-efficacy in training or a perception that training is no longer valuable. This distinction is critical given that the appropriate organisational response to redress this problem should vary depending on which factor is the more important (though arguably in many settings, both factors are likely to be at work). Further, if the problem is one of perceived lack of benefit from training due to retirement plans, then it seems unlikely that any organisational initiatives will have much success in altering such views for those workers who see themselves as nearing the end of their working careers.

2.4 Factors that Enhance the Access of Older Persons to Training

What strategies and actions can be taken to improve the training outcomes for older persons? In this section, we look at two different strategies. First, we examine the literature on learning methods in relation to learning outcomes for older adults. Second, we review the literature on both organisational and government polices and initiatives that are directly related to older people's access to training.

2.4.1 Methods of Training

As noted earlier, the way in which training is provided may be an important moderating factor between learning ability and age. The use of inappropriate training methods may put older persons in a disadvantageous position compared with other learners, thus hampering their training outcomes. In this section, we review the literature relating to two questions. First, compared with traditional forms of pedagogic instruction, are there training methods that enhance the learning ability of older workers? Second, is the learning ability of older persons improved to a greater degree than that of other learners via the use of these methods?

The seminal work in the area of training methods for older workers was developed by Belbin, Belbin and colleagues in the 1960s and 1970s (e.g., Belbin 1970; Belbin & Belbin 1972; Belbin & Downs 1964; Belbin & Shimmin 1964). These researchers are credited with the development of a number of training methods — namely the discovery method, activity learning and programmed instruction — that were aimed at improving the learning performance of the older trainee. Briefly, the discovery method is aimed at increasing the motivation of the older worker by allowing them to discover for themselves (rather than rely on an instructor's communication) how things work. Such learning can be encouraged by asking trainees to generate and answer questions about the subject matter. Tasks are sequenced such that they form small discrete units and more difficult tasks follow simpler ones. The activity learning method, on the other hand, emphasises the need for active manipulation and processing of material to be learned, as opposed to engaging in passive forms of learning such as listening or observing. Finally, in programmed instruction, material which is graded in difficulty is systematically presented to the learner through a display such as a book, computer or mechanical device. The perceived advantage of this technique is that the trainee receives immediate feedback and positive reinforcement for correct responses.

There is little debate that compared with more traditional pedagogical approaches, methods such as the discovery method and activity learning have improved the performance of older workers in training settings (e.g., Belbin & Downs 1964, 1966; Belbin & Shimmin 1964; Czaja and Drury 1981; Czaja et al. 1989; Downs & Roberts 1977; Mullan & Gorman 1972). Much more contentious, however, is whether these methods are specific to older learners or whether they improve outcomes for all learners. Although some authors (e.g., Warr 1994) conclude that research to date is inconclusive, our reading of the literature suggests that the weight of evidence falls towards the rejection of the notion that it benefits older persons to a greater degree than younger learners. While not plentiful, experimental research studies that do exist on this issue have concluded that these training methods also improved the learning outcomes for younger learners (e.g., Czaja & Drury 1981; Czaja et al. 1989; Siemen 1976) and, as such, simply represented good training methods. Indeed, the pioneers in this area already noted that their learning methods were also beneficial for younger learners (e.g., Belbin 1964; Belbin & Downs 1964).

While not related solely to older learners, another body of literature relevant to the learning of older persons is the broader area of adult education. The andragogical theory, as formulated most fully by Knowles (1970, 1971), argues that the theory of teaching adults is qualitatively different from that of teaching younger persons (i.e., pedagogy), and thus special methods are required to teach adults. This theory stresses the autonomy of the learner in determining the learning process, and the learners are encouraged to set their own goals and organise their own learning around their needs. The four main assumptions on which the andragogical theory is based are as follows: (i) as people mature, their self-concept moves from dependency to self-directedness; (ii) as people age, past experiences gain increasing importance as a resource for learning; (iii) mature individuals are motivated to learn developmental tasks related to their social roles; and (iv) the learning orientation of adult learners leans towards problem solving rather than subject mastery (Knowles 1970).

Again, however, debate surrounds this literature as to whether different methods are required to teach adult, versus younger, learners. In a review of the topic, Imela (1989, 1995) concludes that whether teaching adults is different from that of teaching children remains ambiguous. Other adult education specialists are more adamant, though, arguing that adult education is essentially the same process as education generally and that special theoretical developments are not required (Garrison 1994).

Overall, while it is evident that the area of training methods for older adults (and adults more generally) has received considerable attention over past decades, the major shortcoming in this body of research is that underlying theories have not been tested through research. More studies (preferably in real life learning settings) that evaluate the added benefit of the proposed training methods for older persons, as well as their relative benefit compared with other persons, are required.

2.4.2 Organisational Initiatives

Another possible avenue for enhancing training outcomes for older workers involves the implementation of policies or programs by governments and employing organisations. Certainly, all policies and practices of an organisation are interrelated and no one policy operates in isolation from others in terms of its effect on the work environment of older workers (see Farr et al. 1998). Thus, in addition to any policies a company or government may have that directly encourage training experiences for older persons, other policies and practices — including retirement policies, pension programs, company hiring and retrenchment practices, and the nature of work design — all affect the older person's access to training. It is essential, therefore, to take into account the broader policy context within which specific initiatives to address the barriers to training for older persons operate. The wider supporting framework is often a crucial element in the success of a particular policy initiative. However, in this review of the literature we focus on policies that *directly* affect job-related training opportunities of older persons. Further, we divide this literature into two segments: organisational policies (which by definition are focused on *employed* older persons) and government policies (which can focus on both the employed and the unemployed).

Without doubt, the majority of the literature regarding organisational policies and training of older workers involve prescriptive statements by human resource practitioners on what organisations should do in order to assist older workers in gaining training opportunities, and/or to maintain their productivity levels. Such statements include the following:

- Organisations should develop a culture that encourages learning and performance for all employees, and thereby also increase training opportunities for older workers (Fossum et al. 1986; Plett 1990a; Warr 1994).
- In order to reduce age-related stereotypes and discrimination, and to increase fairer performance ratings and provision of training, organisations should provide training to managerial staff on the ageing process (Dennis 1988; Hale 1990; Schabracq 1994; Sterns & Alexander 1988; Warr 1994).
- Retraining of older workers can enhance their career opportunities, especially within companies undergoing substantial organisational change (Rosen & Jerdee 1985).
- Job rotation and lateral job moves can be used to provide older workers with opportunities to develop new knowledge and skills, and to enhance motivation and learning (Farr et al. 1998; London 1990; Warr 1994; Work in America Institute 1980).
- Career planning programs can avoid skill obsolescence and increase both employee commitment and productivity (Rosen & Jerdee 1985).
- To avoid the outdating of skills, analyses of training needs should be conducted for the organisation, specific jobs and individual employees (Rosen & Jerdee 1985; Sterns 1986; Sterns & Doverspike 1988).

Note that while retraining is noted above as one option to increase training opportunities for older workers and to help keep them economically active, some (e.g., Hall & Mirvis 1995) argue that retraining is based on an outdated model of the workplace — a model where employees were considered to be dependent on one employer over the course of their career. Hall and Mirvis (1995) state that '... retraining is too slow, too costly, too dependency-producing, and too disconnected from job opportunities to be effective' (p. 282). Instead they argue for the need for continuous learning as the means for older workers to develop over time, as well as 'protean' or self-directed career planning where the career is the responsibility of, and shaped by, the individual, not the organisation. Indeed, a move away from organisational-based career planning to individual-based planning is, according to research by Stroh et al. (1994), becoming increasingly common within organisations.

Despite the not unsubstantial literature on what organisations should do to improve training opportunities for older workers, our review failed to produce much evidence on the experience with initiatives implemented by firms or details on how common these programs are. As Sheppard and Rix (1989) noted in the late 1980s, while such programs undoubtedly exist, little attention has been paid to documenting them. Furthermore, even less work has been published that provide evaluations of existing programs and policies.

Nonetheless, one source that was valuable in providing examples of training programs for older workers was a publication which is based on the US National Older Workers Information System (NOWIS) — a computerised database which employers can access that includes information on hundreds of older worker employment programs in public and private sector organisations (AARP 1996, p. 3). In the NOWIS publication, one of the companies highlighted in terms of training is the large American firm AT&T. AT&T has had a continuing education program since 1969 and the emphasis of their program is the avoidance of skill obsolescence, the improvement of performance in current jobs and career planning. Many departments with in AT&T require employees to complete minimum annual training and education requirements.

Sheppard and Rix (1989) note a number of private sector training programs that provide training opportunities for older workers. The programs listed, however, are simply based on information from NOWIS. They note examples of organisations which have continuous learning philosophies and programs, pre-retirement courses and retraining programs.

While the focus of Encel and Studencki's (1992) report is an international overview of programs (including training programs) for older unemployed persons, this source also notes some examples of private sector initiatives for their workers. Few details are given, but the information available provides examples of training programs that related to improving the employability of older workers (e.g., a program that encouraged older workers to seek promotions, and a program to retrain older engineers in new technologies introduced at the firm), and programs that were aimed at preparing the worker for retirement.

A report on training of older workers in Japan (Osako 1989) provides a few examples of company programs related to the training of their older workforce. Programs related to reskilling, retirement planning and career planning are described. A number of other publications also provide some details about other organisational initiatives (e.g., Farr et al. 1998; Hale 1990; Hall & Richter 1990; Nusberg 1990; Rix 1990), but again the information provided is limited in detail, and lacks any cost and benefit considerations.

Also of relevance but somewhat different is a national US management training program on ageing issues (Dennis 1988). While the training program is not an organisational initiative (since the program was developed at a research centre and funded partly by a federal grant), individual organisations were invited to take part in the training course and 45 companies did so. Survey instruments immediately following the course and again three months after the course were used to evaluate the impact of the training on the managers who participated in the training. The survey responses suggested that a large proportion of the program participants not only changed their views about older workers, but also some of their human resource decisions regarding these workers.

Finally, we also note a case study which seems at odds with much of the literature on older workers (Gerardu & Schabracq 1994). In a discussion of their company's personnel policies with regard to ageing workers, the authors suggest that the company has a very positive attitude to older workers and as a result of this, developed a '... a system of reserving specific [less demanding] positions for elderly employees who experience difficulties in performing their current job' (p. 389). The tone of the case study is one that suggests that aged workers are persons with diminishing capacitates and should be treated differently. Nowhere in the case study are training, retraining activities or career planning noted as part of the company's strategy on older workers.

Overall, the literature on organisational policies and practices regarding the training of the aged workers is extremely weak. Apart from the NOWIS system (in the US), little attempt has been made to document best practice examples. In addition to documenting examples, evaluation research on the affect of the various programs is urgently needed.

2.4.3 Public Policy Initiatives

Relatively more effort has been spent in documenting national policy approaches to training for older persons, but again, little documented information is available on the success of these initiatives, especially when weighed against the costs involved.

It is well recognised that the government can have a significant impact on the training of older persons. Greenhalgh (1999, p. 103), for example, writes:

> *The potential role of the government in training adult workers has two important dimensions: the first is to recompense investors in skills for the extent that they provide positive externalities in the wider economy and thus to ensure the right level of investment occurs. The second is to improve the information set on which private decisions are taken, so that the pattern of investment matches future skill needs.*

More broadly, the OECD has called for a strategic approach to policy formulation that cuts across traditional areas of responsibility of government departments: 'Strategic frameworks, including implementation structures and timetables, should be put in place at the national level now in order to implement these reforms in a coherent way over time' (OECD 1998b, p. 17). In turn, seven principles have been enunciated to guide policy development. These cover reforms to pension and taxation systems, greater focus on cost-effectiveness in health systems, and improved policy coordination. Particularly relevant to this review, the second guiding principle is worded as follows: 'A variety of reforms will be needed to ensure that more job opportunities are available for older workers and that they are equipped with the necessary skills and competences to take them' (OECD 1998b, p. 18).

Furthermore, an extensive overview by the OECD of policies related to early and late retirement included a range of policy recommendations related to removing the barriers to training for older persons (Casey 1998, pp. 30–31). These include:

- disseminating information on relative competencies and good practice;
- removing any maximum age limits in training schemes and increased targeting of such schemes to those who experience major labour market difficulties;

- encouraging the creation of a learning society and lifelong learning, especially through adequate funding of further and higher education;
- the state itself setting an example through its own practices as an employer in such areas as recruitment, training, promotion and redundancy; and
- co-ordinating programs, policies and objectives to ensure that they do not work against each other.

The approach of governments to issues such as removing the barriers to training for older persons can be categorised in terms of their relative emphasis on the importance of regulatory requirements, with options ranging from the more to the less regulated. Further, among those governments with a strong tradition of using regulation to achieve positive externalities from semi-public goods such as training, there are two variants. One approach, common in continental Europe, is for central government to use local employer and industry associations (based on compulsory membership) to self regulate their members. This applies in Germany and France in particular. In the case of France, for example, a compulsory levy administered through regional employer associations has resulted in the highest level of adult vocational training in Europe (Greenhalgh 1999). The second approach is for the central government to play a direct role in initiating programs and requiring enterprises to fund these activities through levies. An example of such an approach can be found in Singapore. This state-driven approach is also found in Korea and Taiwan (Green et al. 1999).

The approach of governments to the promotion of training among the adult population operating within a less regulated framework has been termed voluntarist or non-interventionist. This approach applies to economies with an Anglo-Saxon heritage such as the UK, the US, Canada and Australia. Governments seeking to change enterprise behaviour in relation to training effort, in most instances, rely on exhortation. Government policy towards enterprises often involves little or no emphasis on direct pressure such as a compulsory levy. However, it is important to note that governments operating within a voluntarist framework differ in the extent to which they have established appropriate frameworks to encourage enterprises to improve their management of human resources.

The following summaries of national policy initiatives provide examples from the three types of approaches outlined above. However, due to the similarities of approach to policy within the countries adopting a voluntarist approach, the emphasis is placed on policy initiatives from the US and the UK.

France

One example of a strong regulatory approach is provided by the French government. France provides an example of an across-the-board approach that is required to ensure that all adult employees have greater access to training opportunities.

The French strategy to meeting the training needs of its adult workforce has been to impose legal requirements on firms to spend a fraction of their wage bill on transferable training (initially, 0.8 per cent and now 1.5 per cent). The initial emphasis on transferable training was modified to permit in-house training to qualify for the levy. Greenhalgh (1999) notes that although legislation was used to frame the first nationwide system in 1971, this was preceded by sectoral agreements between unions and employers. Furthermore, 'the policy was conceived as part of a set of reforms to enhance lifelong learning, in order to restore equality of opportunity to those who had failed to obtain vocationally relevant skills during their educational years' (Greenhalgh 1999, p. 100).

Since the legislation was enacted in 1971, two further developments in policy have occurred which have involved substantial expenditure by the French government. The law was modified in 1984 to target small- and medium-sized enterprises which were either outside the original law or low performers in terms of their training records. The new directive required the development of training contracts between single employers or groups of employers and the public administration, whereby employers submitted plans to accentuate their training effort in return for an element of public subsidy for the added costs.

The other new initiative was the creation of a training-related tax credit in 1989. This is in the nature of a marginal subsidy to training expenditure and parallels the R&D tax credit, both measures being designed to elicit an increase in what are seen as socially beneficial expenditures by firms. Enterprises committed to increasing their level of training within a three-year contract can benefit from such tax credits.

The result of the above government requirements and incentives is that French enterprises spend the most on training per worker in Europe. Greenhalgh concludes her assessment of the impact of government policy on employer-provided training for mature workers in France by stating that 'there seems no doubt that the French system, which has the backing of both employers' associations and unions, offers a set of effective policy levers for adjusting the amount and direction of training' (Greenhalgh 1999, p. 107). However, the centralised and directive nature of the government in France and the strong reliance on the collective mechanism of public law chambers of commerce make it difficult to apply the same policies in a different governmental and civil society framework.[25]

The example of France shows that piecemeal, targeted programs on older workers may have little success unless the more general barriers to training are removed.

Singapore

Another example of a government that takes a strong regulatory approach is the Singaporean government. Due to its island economy, Singapore experiences persistent skill shortages. As a result, an area of major concern in this country is skill levels (and in turn, training) of older workers. The Singapore Skills Development Fund has actively promoted the training of these workers and has embarked on several major initiatives (Singapore Productivity and Standards Board 1997). It has worked with training providers to develop and boost the number of training programs catering to the needs of older workers. Enhanced incentives are provided to employers to encourage them to send their older workers for training. Self-help bodies like the Chinese Development Assistance Council, the Association of Muslim Professionals, and the Singapore Indian Development Association have also been enlisted to assist in reaching out to older workers. These organisations are allowed to receive grants for the training of their respective members. Through this arrangement, individuals who are low-skilled and low-wage earners are able to upgrade and benefit from the Skills Development Fund.

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[25] It is also important to realise that an increase in expenditure on training does not necessarily imply an increase in the effectiveness of that training. This depends on the way the training dollars are spent. Unfortunately, there is nothing in the Greenhalgh (1999) review that enables any assessment about the effectiveness of the new training expenditure to be reached.

Older workers who have been denied the opportunity to acquire basic literacy and numeracy skills can attend special classes designed to remedy these deficiencies. If they are not comfortable with the traditional classroom mode of learning, these older workers can enrol for on-the-job training and Fast Forward programs. The Fast Forward programs target workers with little time for training and seek to quickly provide them with all the basic skills for workplace effectiveness. The programs in English and mathematics are structured so that workers can learn at their own pace. Training is built around flexible learning materials comprising easy-to read course books, and entertaining and instructive videos.

Japan

Japan has both a tradition of strong regulation by central government and a 'hands off' approach to enterprises. However, due to the low levels of unemployment in the boom period after the second world war and the widespread experience of skill shortages, Japan has what is arguably the strongest tradition in terms of active policy measures intended to maintain employment for older workers (Moore et al. 1994).

The interventionist approach taken by the Japanese government is a reaction to both the rapid aging of their population, and more recently, the breakdown of the traditional lifetime employment guarantee. As early as 1971, Japan enacted an act (the Law Concerning the Stabilization of Employment of Older People) to increase the employment security and job opportunities of older workers. While this Act involved a wide number of measures (including appointing 'aged workers' promoters at employment offices, developing career centres for older workers, and setting up centres to develop job opportunities for the aged), the key feature was the use of wage subsidies. Subsidies were made available for a number of actions, such as continuing to employ an older worker, or recruiting an older worker. Furthermore, and of most interest to this review, under this Act, employers have obligations to make efforts to train workers for new jobs. Wage subsidies are thus also available to employers to assist them in providing such training. Employers are also obligated, under the Act, to prepare employees for retirement, including the conducting of life-planning seminars.

Over time, via various amendments to the Act, the amount of wage subsidies that are paid have increased, the minimum eligible age for workers to which subsidies apply has been reduced to 45 years, and requirements for submitting written retirement age extension plans have been introduced. The effect the Act has had on the employment and training of older workers in Japan is unclear as little evaluation information is available. The accepted wisdom, however, is that the measures have had a significant effect on employer practices (Moore et al. 1994, p. 9).

In addition to its 'Stabilization Act', Japan has an 'Occupational Skill/Ability Development Act'. This Act, which was originally ratified in 1969 but amended in 1985, '... provides the basic framework for training in the workplace, as well as publicly supported job training schools' (Osako 1989, p. 6). The Act stresses the value of continuous learning over the lifespan, and encourages private sector initiatives in developing training programs.

While the Act is not aimed specifically at older workers, the achievement of its goals would certainly benefit the aged. Furthermore, Osako (1989) points out that several sections of the Act focus on the needs of older workers. For instance, a portion of the funds for government-operated training programs are set aside for the training of those aged 45 years and over. As a result, middle-age and older workers can obtain both short-term and longer-term training programs through government or municipal training centres. As well, in approved training institutions, trainers are reimbursed at a higher rate when training workers nearing retirement age rather than other workers.

United States

The policy context in which the US operates is decidedly non-interventionist. The US has a tradition of government action that complements market forces rather than seeking to directly address market failures such as an under-investment in workforce training. Nevertheless, over time, the US government has funded several large programs aimed at addressing the needs of disadvantaged persons, including older persons.

The US is currently experiencing strong employment related economic growth. In June 1999, the national unemployment rate was 4.3 per cent, with the unemployment rate for adult men 3.6 per cent and for adult women, 3.9 per cent.[26] In this situation, skill shortages are a major force for change, particularly in terms of the employment opportunities for groups that were previously overlooked in the labour market. The result has been an increase in the demand for all types of labour, including older workers.

A good indication of how the situation has improved for older workers is provided by a program to train older workers in information technology (IT) skills conducted by the largest US provider of mature worker employment and training services, the national non-profit organisation Green Thumb.[27] In April 1998, Microsoft granted $350,000 funding to Green Thumb to work with private industry councils nationwide to develop IT training programs to provide training in IT skills to thousands of seniors, dislocated workers and disadvantaged individuals. The funding was part of the Microsoft Skills 2000 initiative aimed at addressing the IT workforce shortage by recruiting and training people for jobs in the IT industry.[28]

The Job Training Partnership Act (JTPA), which came into effect in 1983, is aimed at providing job training to individuals who face particular barriers to employment (Sheppard & Rix 1989). JTPA operates through grants to state governments to enable them to set up training programs. Most beneficiaries of funds provided via this Act are unemployed persons; however, employed persons who are considered to be economically disadvantaged can also gain access to training support via this Act. While the program was not developed for older workers alone, 5 per cent (up from the original 3 per cent) of funds are set aside annually for programs dealing with persons aged 55 years and over. Note, though, that various authors have indicated that a considerable proportion of these reserved funds are not used, due to low rates of participation of older persons in the program (e.g., Plett 1990b; Rupp et al. 1987; Sheppard & Rix 1989).

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[26] US Bureau of Labor Statistics 1999, *Employment Situation Summary*, July 2. [Available from the world wide web at — http://www.bls.gov.news.releases/empsit.nms.htm.]

[27] The organisation has provided services to bring work-force opportunities to more than 40 000 mature workers, dislocated workers, welfare participants and adults with special needs in 44 states and Puerto Rico.

[28] 'Microsoft Announces Work-Force Development Grant To Green Thumb', press release http://www.greenthumb.org/mediasite/developm.html.

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An example of the operation of the JTPA Older Worker program is the funding of customised training for unemployed older persons by a prospective employer. Five Portland area credit unions formed a partnership with the local Private Industry Council (PIC) and Goodwill Industries to develop a customised training program (US Department of Labor 1996). The training program prepared older workers to be member services' representatives. The PIC recruited and screened applicants to its JTPA Older Worker program, and the participants were then chosen after an interview by a panel of credit union and Goodwill Industries representatives. The PIC paid for the training and the credit unions agreed to hire the participants once they had successfully completed the course. A feature of the program was the use of volunteer credit union employees as one-to-one mentors for the students.

Funded by the US Department of Labor, the US also has the Senior Community Service Employment Program (SCSEP) which), which provides training and employment opportunities to low-income, older Americans residing in rural areas. The SCSEP is described as an innovative and cost-effective federal program that allows individuals to remain productive and independent by contributing their talent and services to their communities while earning a modest income. SCSEP is the oldest federally funded employment, training and community service program in the US for disadvantaged mature Americans.

The national SCSEP annually provides training, employment, and community service opportunities to almost 100 000 economically disadvantaged persons who are 55 years of age or older and who have poor employment prospects across the US. SCSEP has four objectives: (i) to foster and promote part-time community service opportunities for economically disadvantaged older persons; (ii) to enhance the abilities, skills, and aptitudes of participants in order to increase their opportunities to gain jobs with better pay and benefits; (iii) to change negative attitudes and stereotypes about older persons through public education and demonstrated success; and (iv) to conduct projects that promote innovative work alternatives, second career training, and the placement of enrolees into employment. Participants are assigned to local non-profit or public agencies for an average of 20 hours per week and are paid at the prevailing minimum wage.[29]

Green Thumb is one of ten national organisations that, along with the Governors of every state, operate the SCSEP under grants from the US Department of Labour's Employment and Training Administration. Green Thumb's program is the largest of the national programs. About 30 percent of participants on Green Thumb community service assignments annually move on to better-paying, unsubsidised jobs. Green Thumb also receives funding under the JPTA. These projects provide occupational skills, classroom, and on-the-job training. Training in occupational skills focuses on developing skills for high-growth occupations such as home health aide, nurse assistant and computer operator. High-growth occupations are identified for each specific project locality.[30] Further, Green Thumb also uses Welfare-To-Work funding from the US federal government to operate several mentor programs. The Older Individual Mentor Program provides critical advice, support and guidance. Welfare participants are assigned to work-based training at non-profit and public agencies alongside an older worker who serves as mentor and provides encouragement and on-the-job training.

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[29] http://www.greenthumb.org/mediasite/scsep.html

[30] http://www.greenthumb.org/mediasite/jobtrain.html

At the state level, some states have voluntary task forces that promote a greater focus on older workers. The California Task Force for Employment of Older Workers, for example, aims to improve employment and training opportunities for older workers and to raise public awareness of the issues and problems they face.[31] The Task Force, established in 1992, is composed of volunteer members representing business, industry, the professions, community-based organisations and concerned governmental agencies. The Task Force works directly with the public and the private sector to provide all older workers with access to employment-related resources. It develops educational materials, formulates plans to recognise exemplary older workers and their employers, and fosters inter-agency cooperation among those who provide employment services to workers aged 40 and over. A major function of the Task Force is to encourage coordination and cooperation among agencies and organisations providing employment information, recruitment, training and placement services for older workers. The Task Force also provides information to employers, job applicants and various public and private agencies regarding employment of older workers. The Task Force sponsors an annual state-wide awards program to acknowledge outstanding individuals and organisations contributing to the employment of older workers.

The above examples show that, despite the dominance of the local private sector in the US, the role of the government in the field of training remains important. The federal government provides fiscal incentives for the establishment of training partnerships, with a view to encouraging local providers to offer services that they would not otherwise supply, thereby developing local training capacity. Individual states fund highly specific, flexible programs customised to local needs. At the federal, state and local levels, advisory committees are composed of a range of stakeholders. Enterprises play a key role, especially at the local level, through their membership of these advisory committees, as well as by bearing the largest share of the financial burden and by exercising control through the contracting of training services (Mitchell 1998).

The above examples also show that the impetus for training partnerships comes primarily from local employers and community leaders who initiate the networks through which partnerships are formed. Local self-supporting groups, such as economic development committees and trade associations, are the most dynamic actors and their combined impact far exceeds that of the government. The role played by the government is to provide fiscal incentives to initiate and facilitate local capacity building. The government funding mechanisms that have been found to be most constructive are those that facilitate local collaboration and promote flexible local programming. Government policy is therefore complementary to local dynamism and does not restrict it. It has been argued that because public funds in the US are used only for the establishment of local partnerships, and not for their maintenance, this maximises their impact on local policy with a minimum level of public financial support (Herschbach 1998).

Canada

Canada also provides an example of a country with a 'non-interventionist' policy context. Further, it offers a valuable example of how to achieve local level integration of government services aimed at assisting workers who have been, or are about to be, retrenched. Since 1963, Canada has had the Industrial Adjustment Service (IAS) in place to support workforce adjustment (British Columbia Ministry of Advanced Education, Training and Technology 1996). This flexible and voluntary process is based on joint consultation and ownership by management and worker representatives. It involves finding cooperative, cost-effective solutions that can work quickly in cases such as layoffs, privatisation and major technological change. The federal government's Human Resources Development Canada staff work with companies and workers facing change. They set up agreements and help employers and workers review the options facing a workplace, including reviewing business plans and financial data, where appropriate. Equal numbers of employer and worker representatives join together under an impartial chairperson to review the facts. They create an action plan and decide on the best adjustment methods. The result can help a company facing major change to regain its footing and it can help workers deal quickly with job loss through counselling and assistance with re-employment.

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[31] http://www.sjtcc.cahwnet.gov/olderworker.

In addition, while no federal programs related to training and older workers were found, at the provincial level, the Ontario government's 'Transitions Programme' provides a training subsidy to persons aged 45 and over to encourage them to take part in training (Moore et al. 1994; Plett 1990b). This program is targeted at older workers in industries undergoing restructuring; in turn, the emphasis of the program is on the unemployed, but employed persons in declining industries may also be considered eligible. In the early 1990s the training credit was valued at Can $5000, and could be used to reimburse formal training expenses incurred by an employer, as well as to pay tuition in training organisations.

Association initiatives are also important in Canada. The Ottawa-Carleton Learning Foundation is a non-profit organisation dedicated to strengthening lifelong learning. Established in 1985 and supported by the leaders of the education and business communities, the Learning Foundation enhances the management and delivery of quality education and skills training through innovative partnerships. It acts as a catalyst to mobilise resources among educators, employers, employees and learners to meet the challenges of the knowledge-based economy.

United Kingdom

While the UK still falls within a 'voluntarist' approach, it has been more pro-active about publicising and addressing market failures in the provision of training than other countries following a voluntarist approach like the US. The UK government has recently implemented a range of initiatives aimed at promoting opportunities for 'Lifelong Learning' for the adult population in general. Other initiatives related to the promotion of employment and training opportunities focus on older people in particular.

The government policy initiatives in the UK aimed at addressing the barriers to training for older persons operate at two levels. One set of initiatives is aimed at encouraging individuals and enterprises to undertake training. The second set of initiatives is aimed at encouraging enterprises to remove the barriers that might apply specifically to older employees. A feature of the UK government's approach is not to use legislation to mandate a response on the part of private sector employers.

One attempt by a government within the voluntarist approach to encourage enterprises to provide more training for their employees is the UK government's vigorous promotion since 1993 of the Investors in People (IiP) Standard. Investors in People is a quality standard for managing human resources in the enterprise. The Standard specifies the principles that tie training and development activity directly to business objectives.

Investors in People also aims to ensure that resources committed to training and development are put to their most effective use. The Standard provides a benchmark of good practice in training and development against which any organisation can measure progress towards improved business performance. The key elements of Investors in People are:

- a public commitment at a senior level to develop a written but flexible plan specifying how training and development needs will be assessed and met (and which is communicated to all employees and shows them how they can contribute to success);
- an undertaking to regularly review the training and development needs of its employees through its planning process and make links where appropriate to publicly recognised qualifications; and
- a commitment to training employees throughout their career.

The UK government is clearly supportive of the Standard. First, the government actively markets the benefits of the IiP Standard in the documents it produces. For example, the UK government's White Paper on Competitiveness (UK Department of Trade and Industry 1998, para 2.66) noted the following regarding the Standard:

> *The Investors in People Standard provides business with a framework for focusing training and development on business needs. Businesses recognised as Investors in People have been found to outperform their non-recognised competitors in the same sector on profitability and productivity. The Standard has proved extremely successful with medium and large organisations and over 11,000 are now recognised as Investors in People.*

Second, the government, as an employer in its own right, supports the Standard via its practices — it has required all its divisions to seek IiP accreditation (UK Investors in People 1998). Thirdly, the government provides considerable financial support to the initiative. For example, in the 1997–98 year, the government provided the Investors in People program with 45 per cent of its operating budget — equivalent to £2.1 million (or about AUD $5.3 million) (UK Investors in People 1998).

The coverage of the Standard is, without a doubt, impressive as it now covers over a third (36 per cent) of the UK workforce. As of the end of March 2000, there were 40,375 organisations involved, with 18,925 organisations having successfully completed the third party auditing process to achieve formal recognition.[32]

Unlike most other training programs and policies discussed thus far, there is information available that evaluates the effectiveness of the Standard. First, the IiP website offers almost 100 case study examples of companies which have completed the process of gaining formal recognition as an Investor in People.[33] The results that are claimed to have resulted from the Investors in People initiative are impressive, including improvements in staff attitudes, increased product ranges, decreased employee turnover and absenteeism, and improved productivity and profits. Unfortunately, however, the case studies provide few details, no information on costs involved are provided, no details of any attempts to establish *causal* links between the IiP Standard itself and the outcomes are described, and little information is provided on the effect on training incidence and outcomes.

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[32] Personal communication, International Manager, Investors in People UK. See Investors in People website http://www.iipuk.co.uk

[33] http://www.iipuk.co.uk.

In addition, a few published articles also present evaluations of the Investors in People Standard (Alberga, Tyson & Parsons 1997; Down & Smith 1996; Hillage & Moralee 1996; Spilsbury et al. 1995). The rigour and independence of some of these evaluations must be questioned. Further, many of the evaluations were completed in the early years of IiP (e.g., mid 1990s); it can be argued that those who adopted the Standard in its formative years were already high-performing companies to begin with and thus the net effect of participation in IiP is open to question. Nonetheless, an examination of the results of the evaluation studies is still worthwhile. For example, results from an Institute of Employment Studies (IES) survey (Hillage & Moralee 1996; Spilsbury et al. 1995) found that organisations that were IiP accredited (compared with those who were not involved in the Investors in People Standard) were more likely to have mission statements, business plans, and formal HR processes.

With regard to training, the results are more mixed. Results from the IES survey suggest that there is a big difference in terms of the presence of formal training budgets, with 90 per cent of IiP accredited employers having such a budget, compared with only 10 per cent of non-participating employers (Hillage & Moralee 1996; Spilsbury et al. 1995). Further, the survey results presented in Alberga et al. (1997) suggest that IiP accredited employers are much more likely to have initiatives in place that provide the opportunity across the organisation for continued learning and education (81 per cent of recognised IiP employers compared with 44 per cent of non-involved employers) and to have more effective evaluation initiatives of training and development against business goals and objectives (54 per cent of IiP accredited employers compared with 28 per cent of employers not involved with IiP). On the other hand, the IES survey results show no difference between recognised IiP employers and non-participating employers in either the percentage of their payroll spent on training or the average number of days of training undertaken per employee. Of course, these measures do not indicate how effectively training dollars were spent or the value of the activities undertaken while training (and these may differ between the two groups).

The existence of a positive association between training and Investors in People participation is given somewhat more consistent support in the employee data collected as part of the UK 1998 Workplace Employee Relations Survey (Cully et al. 1999). The findings of the employee survey (which includes data from over 28 000 employees) indicated that 64 per cent of employees in workplaces that were IiP accredited had received training during the last twelve months compared with 58 per cent in other workplaces. Furthermore, employees at IiP recognised workplaces were slightly more likely than other employees to believe that management at their firm encouraged skill development (52 per cent and 48 per cent, respectively). On a cautionary note, though, it should be mentioned that these results do not take into account that factors other than IiP accreditation may explain the observed differences in training. For example, Cully et al. (1999) point out that IiP accreditation is highly correlated with organisation size and sector, with larger firms and public (rather than private) sector organisations more likely to be accredited. As well, numerous studies show that training incidence is higher among employees in larger organisations and in the public sector (e.g., Baker & Wooden 1992; Groot 1997). Multivariate research is thus required to tease out whether training differences by IiP accreditation status remain once other workplace, as well as employee, characteristics are taken into account.

In addition to its Investor in People Standard, the UK government is setting up and promoting individual learning accounts to encourage greater individual initiative in funding their own training (see, for example, UK Department for Education and Employment (DfEE) 1999). The objective is to have a national framework of accounts available for everyone so that individuals can pay for, and undertake, their learning at a time that suits them. It is also planned to: (i) investigate how some public money currently channelled to educational institutions may be routed through individual learning accounts; and (ii) establish a system that will encourage employers to invest jointly with their employees.

Individual learning accounts are aimed at reducing a key training barrier for the adult population in the form of cost. Anybody will be able to open an individual learning account, but incentives will be targeted on people who are in work and not in full-time education. Incentives in the form of lower course fees may also be used to direct persons towards areas with skill shortages. Initial marketing activities will be focused on encouraging the take up by specific groups, including those on low to middle incomes with aspirations to progress, younger workers including young parents, people wanting to return to work, those 55 years and over, and those from ethnic minority groups. A maximum of £150 per account holder was paid into the first million accounts against a contribution of at least £25 from the account holder.

The operating principles of Individual Learning Accounts are that:

:: anybody should be able to open a learning account with a bank or other financial institution;

:: in its simplest form, it will be a savings account dedicated to saving for learning (some accounts may enable individuals to borrow money for their learning needs);

:: local career and guidance services will offer account holders information and advice about what and how to learn;

:: accounts should enable people to record their achievements (possibly through the use of technology and smart cards);

:: people who save in their accounts can withdraw their own money at any time for any purpose;[34] and

:: employees will not be subject to tax or National Insurance Contributions on employer's contributions to a learning account for eligible learning.

A substantial package of incentives was announced in the 1999/2000 UK Budget including discounts of 80 per cent for certain courses (e.g., IT training) and 20 per cent off the cost of eligible courses on spending up to £500 in each year.

Market research for the UK Department for Education and Employment (1999) has shown that individuals themselves have identified several benefits and reasons why they should have a learning account. These include: the incentive will make courses less expensive; the account is seen to be a genuine reward for self-motivation to gain learning experiences; the product and process are logical; learning accounts can make learning more accessible; learning can help support a change in career direction; and penalty-free withdrawal of personal contributions for non-learning activities provides flexibility and personal control. No other evaluation research was found in the literature — this is not surprising given that the initiative is still in the process of being implemented.

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[34] Funds from other sources may have some restrictions and must generally be used to purchase vocational learning.

Another significant policy initiative aimed at removing the barriers to training for the adult population in general in the UK is the University for Industry. The University of Industry is said to be 'at heart of the Government's vision for lifelong learning' (UK DfEE 1998b). The aim of this initiative is to tackle the problem of inadequate levels of skill and knowledge in the UK's workforce. It aims to do this, not by setting up a new education provider, but by creating structures and systems which systems that make learning more attractive, accessible and relevant, especially to those on the margins of the workforce. The University for Industry is to add value to the work of existing agencies and institutions, not to compete with them. It will do this through six functions: (i) marketing and promoting education and training; (ii) providing information, advice, and guidance to learners and potential learners; (iii) brokering between education providers and employers; (iv) commissioning programs and services where appropriate provision does not exist; (v) 'kite marking' programs and services; and (vi) market analysis and strategy development in education and training related to the needs of the economy.

The expectation is that most of the learning that people undertake through the University for Industry will be delivered by existing education and training providers. It is argued that the University for Industry adds value by: increasing the demand for education and training, and the individual motivation to learn; improving efficiency through better guidance, brokering and market intelligence; and commissioning new programs and resources to address unmet need. As for individual learning accounts, it is too early to gauge the success of the University for Industry, but it is very clear that the UK government is strongly committed to this endeavour, as the budget for 1999–2000 is not inconsequential at £44 million.[35]

There is also interest in setting up close links between the University for Industry and individual learning accounts. One idea is to offer a year's free membership to the University for Industry to holders of learning accounts. The aim of integrating the two initiatives is to bring together the high quality information and advice services of the University for Industry with the purchasing power of the individual through their learning account. In this way, it is intended to stimulate additional demand for learning from those groups in the community that have had little or no participation in the past.

Box A summarises the key initiatives on lifelong learning underway in the UK in 1999 that are linked (directly or indirectly) to addressing the barriers to training for older persons.

The other prong to addressing the barriers to training for older persons is to promote a non-statutory Code of Good Practice on Age Diversity for employers (UK DfEE 1998a). The purpose of the Code is to show how businesses can take steps to ensure that 'they choose, retain and develop the best person for the job by eliminating the use of age as an employment criterion' (UK DfEE 1998a, p. 13). The main justification for such a Code is based on the need for enterprises to maintain a competitive edge by employing a workforce that is diverse in age and reflects the demands of its changing community and potential markets.

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[35] Press release from David Blunkett, UK Education and Employm[illegible]ary: http://www.dfee.gov.uk/news/122.htm.

The Code covers good practice in six aspects of employment: recruitment, selection, promotion, training and development, redundancy, and retirement. Specifically, in relation to training and development, the Code urges employers to encourage all of their employees to take advantage of relevant and suitable training opportunities.

The government's Consultation Report on Age Discrimination in Employment (UK DfEE 1998a, p.13) noted that:

> *... the key outcomes [of the Code] seek to strike a balance between helping unemployed people find work, including addressing the extra challenges that older workers face when trying to find work, improving lifetime learning skills generally, and promoting an age-diverse workforce making the most of the skills, experience and potential that everyone has to offer, regardless of their age.*

The UK government also plans to set an example in the way that it takes account of age discrimination issues when recruiting and employing its own staff. The new Code of Practice is also linked to a New Deal Program to assist older persons back into employment.[36]

The UK Institute of Personnel and Development has responded to the public debate on age discrimination by advocating to its members the adoption of a managing diversity policy. The policy is seen to complement initiatives such as Investors in People and total quality management (UK Institute of Personnel and Development n.d., p. 6):

> *Essentially the management of diversity is a quality assurance approach. It helps identify hidden organisational barriers that make it more difficult for people who are perceived as being different from the majority of their colleagues to succeed and develop their careers. It also helps to effect cultural change and to create an environment in which people from all backgrounds can work together harmoniously. Managing diversity, like equal opportunities, requires organisations to ensure that all decisions about the employment and training of people are objective, based on merit, relate to individual personal development criteria and support business goals. This can be achieved through the continuous review of workplace policies, practices and behaviour to check that these are helping all employees to give their best.*

The response to the British government's consultation on the proposed Code of Practice drew an overwhelming response from the public. Some 96 per cent of respondents were pleased that the government planned to take action to tackle age discrimination in the workplace (Smith 1998). The UK Employment Minister, Andrew Smith, also noted that 91 per cent of respondents thought that with an ageing workforce, employers would have to look more favourably on older workers. Significantly, the Employment Minister also reported that 82 per cent of employers thought that the business benefits put forward in the Code were convincing. Yet again, because this initiative is still being developed, it is too

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[36] The Secretary of State for Education and Employment, David Blunkett, is quoted in a recent press release:
'I believe New Deal 50 plus, together with The Code of Practice on Age Diversity, launched just two weeks ago by my colleague Employment Minister Andrew Smith, will offer real and substantial support to people over 50 who wish to find a job. Promoting age diversity and tackling age discrimination in employment is a key part of the Government's strategy of building a country where everyone — whether young or old — can play their full part. This key group of workers have been neglected for far too long.'

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early to tell what difference the Code will actually have — this, of course, is more important than whether or not employers found the Code convincing.

Australia

Australia has several programs aimed at improving the access to training of the adult population, including older persons. In terms of publicly funded employment services to the unemployed through the Job Network, there are three services in particular that provide access to training. These are: Job Search Training, Intensive Assistance and the New Employment Incentive Scheme (NEIS)

Job Network members provide training in job search techniques to help prepare unemployed job seekers (including the mature aged) to apply for jobs and to give them the skills and confidence to perform well when speaking to prospective employers. Assistance includes access to telephones, computers and newspapers and a range of activities that may include training in interview techniques, resumé writing and job search skills.

To overcome barriers to employment, Job Network members provide through Intensive Assistance funding, individually tailored help to eligible job seekers who are more disadvantaged in the labour market to help them prepare for and obtain sustainable employment. Job Network providers may arrange a number of activities for job seekers as required which could include the provision of vocational training, work experience, training in literacy, numeracy or English as a second language.

The third form of publicly funded assistance is the New Enterprise Incentive Scheme (NEIS). This program provides support and training for eligible job seekers who wish to pursue the option of self-employment. Participants are strongly encouraged to complete the certificate IV in Small Business Management. Training is undertaken for a 13-week period with approved trainers, who must be registered by the relevant State/Territory Training Authority. Formal training for prospective participants includes assistance with the development of a viable business plan and small business management skills training which are undertaken in accordance with the approved NEIS national training curriculum. Some Managing Agents also provide one-to-one training in some situations, especially in rural and remote areas or where prospective participants are from a non-English speaking background, mature age job seekers currently comprise around 22 per cent of all NEIS commencements.[37]

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[37] Information supplied by Department of Education, Training and Youth Affairs, May 2000.

UK Key Initiatives in Lifelong Learning (with potential to benefit older persons) (as of May 1999)

Box A

- *Establishment of University for Industry Ltd, publication of the University for Industry (UfI) 3-year Corporate Plan and appointment of the UfI Board, chaired by Lord Dearing.*
- *Development of mechanisms to fund and record institutions' development of wider participation in further and higher education.*
- *Establishment of Learning Direct, the national lifelong learning helpline for initial advice and information — over 520 000 callers have been helped to the end of April 1999.*
- *Successful launch of the Union Learning Fund and the Adult and Community Learning Fund. In total, over 250 projects are underway or under negotiation so far.*
- *The various New Deal (mutual obligation) programs offering help to enable different groups of unemployed people to retrain in order to return to the workforce, including persons aged 50 years and over (New Deal for 50 plus).*[1]
- *The National Skills Task Force has been established and its first report, Towards a National Skills Agenda, sets out its primary findings on skill shortages, gaps and recruitment difficulties.*
- *Publication of Improving Literacy and Numeracy: A Fresh Start, the report of Sir Claus Moser's working group on adult basic skills. The government and its partners are now developing a national strategy for adult basic skills.*
- *The review of financial support for students in Further Education, including extending student loans to persons 55 years and over.*
- *The announcement of the waiving of fees for part-time learners on unemployment benefit.*
- *The announcement that some loan facilities will be opened up to part-time students on low income in Higher Education.*
- *The announcement of new 'National Targets for Education and Training'.*
- *The review of the Investors in People Standard, which aims to make the standard more accessible, in particular to small organisations.*
- *The launch of Bringing Britain Together, the Social Exclusion Unit's national strategy for neighbourhood renewal, which established 18 special policy action teams to tackle local issues, including jobs, skills, community self-help and 'schools plus'.*
- *Proposals for the New Opportunities Fund to help provide a step-change in community access to lifelong learning, linking up to the National Grid for Learning and providing support for local learning centres, under the auspices of the University for Industry.*
- *£9m for Local Authority Lifelong Learning Plans to build Local Education Authority capacity to develop adult community education over the next three years.*
- *The establishment of local strategic Lifelong Learning Partnerships under a remit developed by central and local agencies.*
- *Individual learning accounts: Some accounts are now available, with a UK-wide system from April 2000. Announcement of a package of incentives for individuals and employers.*
- *The government's consultation on adult information, advice and guidance. Some £50m announced for development of local services between 1999–2002.*

Source: The National Advisory Group for Continuing Education and Lifelong Learning n.d., *Creating Learning Cultures: Next Steps in Achieving the Learning Age*, 2nd report, http://www.lifelonglearning.co.uk/nagcell2/index.htm.

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Two other government initiatives also benefit older workers. These are Workplace English Language and Literacy (WELL) Program and Return to Work Program. The aim of WELL is to provide funding to employers to support the training of workers in English language and literacy skills, integrated with vocational skills training, to a level sufficient to enable them to meet the demands of their current and future employment and training needs. Projects assist the delivery of workplace based English language and literacy training activities; the development of English language and literacy resources; and facilitate national strategic activities within particular industries.

The Return to Work Program responds to the special requirements of workers who take time out of the workforce to act as carers. The Commonwealth Government is providing $24 million over the four financial years 1999-2003 to fund the program. The program targets those who have been away from the workforce for more than two years to meet carer responsibilities which will be of particular benefit to mature age workers who want to return to work but feel their skills are out of date. The program provides individual and flexible assistance in areas such as skills assessment, and in developing training plans, as well in the provision of training in areas such as basic computing skills.

The National Strategy for Vocational Education and Training 1998-2003 expresses the commitment of Australian governments, including the Commonwealth Government, in partnership with Australian industry, to vocational education and training. The strategy is currently being realised through a number of reforms to the VET system that aim to make the system more equitable, flexible and responsive to the needs of all of its clients, including older workers. A number of these reforms may be of particular relevance to these workers, for example:

- greater opportunities for customisation of training program design, training delivery and assessment practices to meet the needs of individuals under the new National Training Framework;
- greater client choice in the provider, location and mode of delivery through the User Choice arrangements;
- scope to ensure that competency standards address access and equity issues, as part of the comprehensive review of existing standards and development of new standards in Training Packages; and
- improved pathways through levels within the Australian Qualifications Framework, including the development and implementation of Training Packages.

The new National Training Framework provides the basis for greater scope for recognition of skills or recognition of prior learning (RPL), including for older workers. National (AQF) qualifications are linked directly to competency standards in Training Packages developed by industry, rather than to course curricula, which means RPL assessments can be used to demonstrate skills required for a qualification. Registration standards for training providers under the Australian Recognition Framework include the requirement that they be able to provide RPL services. This requirement is further supported by the requirement for Registered Training Organisations to conduct assessment in accordance with nationally agreed assessment principles.

Access to vocational education and training throughout life is already a feature of the Australian vocational education and training sector. Although vocational education and training has an ongoing focus on young persons undertaking apprenticeship and other entry-level training, during the past decade the proportion of clients between the ages of 20-59 has increased from 63 per cent in 1987 to 77 per cent in 1997.[38] In 1997, some 26 per cent of clients of publicly funded VET programmes were over 40 years of age.[39]

INVESTORS IN PEOPLE IN AUSTRALIA

Commencing in 1996, the federal government has funded efforts by the Australian Institute of Management to promote the Investors in People Standard in Australia. However, the Standard has had far less of an impact in Australia than in the UK and currently the federal government provides no funding towards it. While in the UK the adoption of the Standard was made mandatory by government departments and agencies, in Australia this is not the case and only segments of the public sector have been receptive to the Standard. For instance, as of June 1999, only eight public sector agencies were pursuing the Standard, and only one agency had been fully accredited. Take-up by private sector enterprises has been also been low.

Why the difference between the success of IiP in Australia and the UK? Little literature could be found that throws light on this question. Indeed, only one document was located on Investors in People in Australia and this was a report produced by the Public Service and Merit Protection Commission (PSMPC) (1998) — the agency licensed to manage the Investors in People Standard in the Australian Public Service (APS). The PSMPC report has minimal value for our purposes, however, as it simply presents an evaluation of Step One — the diagnostic and action planning phase — of the Investor in People process within five APS agencies.

Nonetheless, a number of reasons can be suggested for the relative lack of success of the Australian Standard compared with the situation in the UK. Most obviously, it can be argued that the initiative did not have the same level of support in Australia that it did in the UK. For example, the Australian government did not take on the task of implementing and promoting the program itself and this may have resulted in the loss of the substantial influence that connection with, and clear support from, the government would have had. Instead, the Australian Institute of Management took on the task of promoting and marketing the Standard, and insufficient infrastructure may have hampered their ability to fully market and promote the Standard. Second, the funding the Australian government provided to the initiative (i.e., an initial budget of $1 million to launch, market and pilot the Standard in Australia)[40] was much less substantial than the funding provided in the UK. Indeed, following an unpublished evaluation of Investors in People, the Australian government decided to end its provision of financial support for this initiative. This funding scenario may also help explain why the Standard has not grown in prominence at the same rate as it has in the UK.

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[38] Information supplied by Department of Education, Training and Youth Affairs, May 2000

[39] Information supplied by Department of Education, Training and Youth Affairs, May 2000

[40] Personal communication with staff member at the Australian Institute of Management.

LABOUR MARKET PROGRAMS

In terms of current federal labour market programs and training for older persons, the new Job Network arrangements leave it to each service provider to develop their own set of support measures to assist persons from disadvantaged groups into employment. However, in the government's statement 'Our Commitment to Australia's Seniors' in relation to the International Year of Older Persons, it is noted that a project is planned to assist and promote mature age job seekers in Job Network: 'The Mature Age Workers Project will investigate and report on the barriers that mature age job seekers encounter in their search for employment and what best practices are being used to assist mature age job seekers to find employment' (Bishop 1999a, p. 20).

Historically, Australia has had a labour market policy aimed directly at older workers. In 1990, in response to the OECD's active society policy focus, the federal government implemented an 'Older Unemployed Labour Market and Income Support Strategy' pilot. The pilot arrangements were aimed at assisting older unemployed people (defined as those aged 55 years and over) by encouraging those receiving government income support payments to remain economically active, look for work, undertake training or accept subsidised jobs.

The pilot's evaluation, completed in May 1992, concluded that the barriers facing these older unemployed people — including the attitudes of employers, the community and older unemployed people themselves, health impediments, and the lack of relevant skills — limited the effectiveness of special government assistance in the form of counselling and labour market programs (Jarvie & McKay 1993). The evaluation also concluded that the key change required was a change in attitudes — an area in which the government can only facilitate.

The submission by the Commonwealth Department of Family and Community Services to the House of Representatives Standing Committee on Employment, Education and Workplace Relations' inquiry on issues facing older workers noted the following findings in relation to the effectiveness of Labour Market Programs for older participants (DEET 1993): Older unemployed people appeared to have better outcomes from wage subsidy assistance (JOBSTART) than from training through Skillshare, JOBTRAIN and Job Search Training.

- There was some success in changing community/employer attitudes to older unemployed people.
- Outcomes for women, despite many being less skilled, were better than for men. This was attributed to women being more motivated, more receptive to the idea of training and less selective in the type of work they were seeking.
- There was resistance to accepting older workers by training providers, apparently based on the belief that older workers had less chance of achieving a positive outcome and that whether providers continued funding was dependent on participant outcomes.
- Both employers and older people believed the government supported early retirement and felt that the ages of 60 for women and 65 for men were compulsory retirement ages. It is worth noting that the evaluation included a recommendation to undertake a marketing campaign aimed specifically at changing attitudes.

The Submission went on to also note that the 1993 evaluation of the JOBSTART program appeared to confirm the finding in the evaluation of the Older Unemployed Strategy that wage subsidies are an effective form of employment assistance for older people. Note, though, the Department of Family and Community Services' submission further noted that 'there has been very little new Australian information on the relative effectiveness of labour market programs for different age groups since 1993' (DEET 1993, p. 48).

LIFELONG LEARNING

Above, we noted the UK's initiatives in terms of lifelong learning.[41] While the UK is in the forefront of initiating action in this area, lifelong learning is being well accepted across a range of industrialised countries (DEETYA 1998) as the strategy required for continued development. As an OECD (1996, p. 13) report states: 'Success in realising lifelong learning — from early childhood education to active learning in retirement — will be an important factor in promoting employment, economic development, democracy and social cohesion in the years ahead'. The policy implications of lifelong learning are arguably potentially greatest for older adults. That is, given that currently learning via educational systems is focussed on the younger years, and that formal workplace learning tends to benefit the middle aged to the greatest degree, a focus on lifelong learning has the potential to help redistribute learning attention and funds to older adults.

Australia does not have a formal policy commitment to lifelong learning. Nonetheless, there are a number of examples of in-principle support for lifelong learning. For instance, in the 1988 White Paper on higher education (Dawkins 1988, p. 68), the then Minister declared that 'the principle of lifelong education is now accepted as fundamental to achieving social, cultural, technological and structural change...'. As well, the Australian National Training Authority — an organisation that was established to provide national leadership and direction in the area of vocational education and training — has adopted the creation and promotion of opportunities for lifelong learning as one of its four strategic priorities (ANTA 1994).

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[41] As defined by the OECD (1996, p. 87), 'lifelong learning' is a broad set of aims and strategies that is built around the central tenet that learning opportunities should be available over the whole lifespan and accessible on a widespread basis.

Nonetheless, as noted in a report of the Senate Employment, Education and Training References Committee (1997), little progress has been made in Australia in moving from rhetoric to action and policy, with the major block seeming to be funding issues, specifically, the relative contributions from individuals, companies and governments (Scollay 1999a). Yet, as a step towards developing a plan in this area, ANTA is currently undertaking a national research project to determine Australia's attitudes towards (i) lifelong learning, and (ii) existing products and services (Scollay 1999b). Based on the research findings, a marketing strategy will be developed to, as the CEO of ANTA says, 'turn on a far greater proportion of the Australian population to skill acquisition and lifelong learning' (Scollay 1999b, p. 20).

In November 1998, the ANTA Ministerial Council requested the ANTA Board, in consultation with a reference group of representatives from two States, DETYA, providers, industry and ACE, to develop a National Marketing Strategy designed to change attitudes in the population at large towards training. The aims of the strategy are to instil within the Australian community and enterprises a desire to acquire skills that are valued, and to engage in lifelong learning. The strategy is also to create a framework for the effective marketing of skill acquisition and lifelong learning products and services (particularly VET products and services). Development of the strategy is expected to be completed in early 2000, with Ministers expected to consider endorsement of the proposed strategy in June 2000.

The process has involved extensive consultations with all stakeholders including employers, employees, training providers and the general community. It should greatly assist in changing attitudes of Australians to lifelong learning, education and training generally and, more specifically, about the value of vocational education and training.

Specific State and Territory government initiatives

At the state and territory government level, NSW has had a program since 1989 that is relevant to the topic at hand. The NSW Mature Workers Program aims to 'maximise retention of mid-life and older workers in the workforce and to facilitate the entry of unemployed mature aged people into the workforce' (NSW Department of Education and Training [DET] 1998, p. 5). The program is available to residents of New South Wales who are aged 40 years or over and who meet one of a number of eligibility criteria, such as being unemployed, having been recently retrenched, never having worked, or currently changing careers.[42] Assistance is provided via one of two distinct strands: employment/training placement or training provision. In the first strand, funds are provided to community-based organisations to assist mature age persons through job search skills, training, finding suitable job vacancies and facilitating placement with employers. In contrast, in the training provision strand, funds are provided to organisations with are registered training providers for them to deliver specific accredited vocational training courses to 'upgrade the skills of mature aged workers who are unemployed/facing unemployment; and/or retrain unemployed mature aged people in new skills in growth industries/occupations' (NSW DET 1998, p. 4). During 1997–98, a total of 59 organisations were funded to provide training and employment support services, which in turn assisted 3900 mature age people (NSW DET 1998).

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[42] The exception here is that those who are receiving Flex 2 (job search training) or Flex 3 (intensive assistance) services through the Commonwealth Jobs Network are not eligible for assistance through the Mature Workers Program.

While somewhat dated now, the only published review that could be found on this program concluded that it had been successful in achieving employment and training placements for many older persons, that surveys undertaken of past clients show that over half of these individuals were either employed or in training at the time of the survey, and that clients express a high level of satisfaction (Funnel 1994). The major criticism of the program was that heavy case loads often did not allow staff to follow-up clients sufficiently well.

Public Policy Initiatives - Conclusion

There seems little doubt that much scope exists for policy measures that are designed to assist older workers access work-related training. Within the public policy sphere, for example, it is very clear that Australian governments have not been as pro-active as many other governments. The UK government, for example, has adopted a very pro-active stance in recent years. Moreover, the overall thrust of their initiatives largely fall within a 'voluntarist' approach, which is consistent with the general policy stance of Australian governments. The Investors in People Standard is perhaps the most obvious example of how public policy can work in tandem with organisational objectives to assist older workers. This Standard has broad coverage in the UK and is widely accepted there. In contrast, IiP in Australia has far less prominence. That said, the lack of rigorous evaluations of the UK's policy measures combined with the relatively short period over which they can be assessed suggest the need for caution in drawing inferences from the UK for the Australian context. For example, it is not at all obvious that the UK policy initiatives have yet had any direct impact on access to training for the older segment of the population.

Finally, it is important to realise that the speed with which different public policy initiatives impact on training activity will vary enormously depending on the type of initiative. The UK program, for example, places emphasis on greater commitment to lifelong learning. The pay-off to this approach may therefore take a very long time to be realised. In contrast, initiatives that are designed to remove more systemic barriers to training (such as lack of recognition of prior learning and the costs of engaging in new training initiatives) are likely to deliver results relatively quickly. That said, the evidence presented throughout this chapter suggests that the relative lack of participation by older workers in training is unlikely to be much improved by 'quick fixes'. Some of the most significant barriers, such as the perception among many older workers that additional training is of little value, will require changes in work culture and in mind sets (both of individuals and of employers). Such change rarely occurs quickly.

2.5 Implications for Further Research

This review has covered an enormous amount of territory embracing a great number of different studies drawing, in turn, on a variety of different perspectives. Despite the wealth of material covered, however, it is very clear that there are some significant gaps in our understanding of the age–training relationship. For example, while it has been clearly established that there is a significant differential between the likelihood of an older adult and a younger adult accessing training, even when those different individuals appear in all other respects to be identical, we still know very little about the relative importance of the sources of this differential. Indeed, it is perhaps puzzling that despite the large number of empirical studies and the wide availability of large data sets that measure training participation, there have been no empirical studies that have focused explicitly on the relationship between old age and access to training.

Many studies, however, have identified likely barriers to training, the most important of which we classified under three categories: employer attitudes; , learning ability; , and worker attitudes. Again, however, the weight of evidence is suggestive rather than conclusive. All three broad groups of factors are probably of at least some importance, but it is difficult to know how much weight to attach to each. The answer to this question is clearly of large importance for policy. Moreover, appropriate policy intervention will require greater knowledge about how each of these barriers manifests. For example, the attitudes of older individuals can work against their participation in further training because of: (i) fears about their ability to cope with, and succeed in, a training program; (ii) the view that additional training will have no significant impact on future job prospects or employment conditions (either because the training will impart no new skills or because older workers perceive limited opportunities for workers at their age); or (iii) older workers see little value in further training given they intend exiting the workforce in the near future. Again, the relative importance of each of these factors will ultimately determine how effective different policy options are in lifting training participation rates.

CHAPTER 3
DATA ANALYSIS

MAIN POINTS

- *The labour market situation currently confronting older persons is quite distinct from that confronting younger adults.*

- *Older persons have lower participation rates and lower employment/population ratios than do prime-age persons, with a marked fall occurring after age 54.*

- *While official unemployment rates appear to be relatively low among older persons, allowing for discouraged worker effects substantially alters this picture, with rates of joblessness now rising dramatically for workers aged 55 years or over.*

- *Rates of casual and part-time working have grown substantially among older workers, especially older males (though in most cases part-time work has been consistent with the preferences of these older persons).*

- *Older workers also have characteristics that are substantially different from their younger counterparts. They are, for example, less likely to have post-school qualifications and are more likely to be employed in either low skilled blue-collar jobs (reflecting in part their lesser education) or in managerial jobs (reflecting both experience and a greater likelihood of being self-employed).*

- *With the exception of persons still at school, it is the oldest cohorts of wage and salary earners who are least likely to receive training. Data from the 1997 Survey of Education and Training Experience indicate that, when all forms of training are combined, training participation is highest among 20-24 year olds and then declines with age.*

- *For structured forms of training, rates of participation are highest among the prime-age groups, but are still relatively low for the oldest cohort, especially those aged 55 years or older.*

- *The age-based training differential is accentuated when worker characteristics are controlled for. That is, the more factors taken into account, the greater the disparity in the training participation rates between younger and older adults.*

- *Between a third and two-fifths of the lower probability of training among older workers appears to be due to observable worker characteristics. The balance arises either from unobserved characteristics or from differential treatment of older workers compared with their prime-age counterparts. This is consistent with, though*

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certainly does not prove, discriminatory behaviour on the part of employers. Indeed, our interpretation of the results from the analysis of data from the 1995 Australian Workplace Industrial Relations Survey suggests unobservables (e.g., better measures of skill) are the more important.

- *In the main, age does not appear to interact with many other variables in influencing training outcomes. The notable exceptions are education and employment sector. Among the most educated workers, rates of training participation for mature-age workers are reasonably close to, if not higher than those of younger adults. Similarly, within the non-commercial sector there appears to be no difference at all in the training participation rates of younger and older adult workers.*

- *Older workers who take part in training typically report higher levels of satisfaction with training than did prime-age workers. This finding was shown to be robust in multivariate analyses of these data. It would also appear not to reflect a 'gratitude' effect resulting from older workers being grateful for participating in employer-provided training.*

- *Among those who are not in employment there are, in contrast to workers, no noticeable differences in training participation across age cohorts. For both younger and older unemployed the probability of participation in training is very low.*

- *While older workers have relatively low rates of participation in training, their relative position does appear to be improving over time. Between 1989 and 1997 participation by older employees in in-house training, external training and unstructured training rose by 5.4, 9.0 and 11.7 percentage points respectively. By contrast, the change in participation for prime-age employees over the same period was lower for all three forms of training — respectively, -2.0, 8.2 and 3.0 percentage points.*

- *Many workers express little interest in training, mainly because they believe they have no need for it. As would be expected, such perceptions are much more marked among older persons.*

- *Older unemployed and marginally attached persons, however, were less likely than older employees to say that the lack of need for training was their main barrier to attending training. Instead, they were relatively more likely to report that health and disability problems, lack of interest or motivation, and caring responsibilities were barriers to their participation in training.*

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3.1 Introduction

This chapter uses existing secondary data sets in order to help understand the position of older workers in the Australian labour market and how their labour market status both affects, and is affected by, access to job-related training. More specifically, the principal objectives of this chapter are five-fold. These are to:

i provide a brief overview of the labour market position of older workers, with particular reference to the education and training experiences of those workers;

ii quantify differences in the training experiences of older workers compared with younger age cohorts (focusing, for example, on the incidence of participation, the type of training undertaken, the duration of training, and the purpose of the training);

iii identify characteristics of older workers that are associated with relatively low levels of participation in training;

iv identify specific barriers that work against older workers participating in work-related training; and

v examine variations between older workers and younger workers in their assessments of the value of training received.

The analysis draws on three major types of data. First, in providing an overview of the labour market position of older workers, use is made of labour force data collected by the ABS. Included here are both time-series and cross-section data from the monthly Labour Force Survey as well as relevant data from occasional supplements to this survey (such as Persons Not in the Labour Force, Transition from Education to Work, Labour Mobility, and Job Search Experience of Unemployed Persons). In addition, these data are complemented by internationally comparable figures reported by the OECD in its annual Employment Outlook.

Second, extensive use is made of the various dedicated surveys of education and training experience that the ABS conducted in 1989, 1993 and, most recently, in 1997. These surveys, described in Chapter 2, provide what is undoubtedly the richest source of nationally representative data on participation in training available in Australia.

Third, use is also made of data from the 1995 Australian Workplace Industrial Relations Survey (AWIRS). While providing only a limited amount of data on access to training, the 1995 AWIRS possesses the advantage that employee-provided data can be linked to extensive information about the workplaces and firms at which those persons are employed. In addition, it also provides an indicator of worker satisfaction with training.

As outlined in the Introduction, throughout this chapter we use the terms ‘mature-age’ to refer to those aged 45 years or more, ‘prime-age’ to refer to those aged 25-44 years, and ‘youth’ to those aged 15-24 years. We also use the term ‘older’ either as a synonym for ‘mature age’ or in a relative sense, the context of which is apparent from its use. A similar caveat applies to the use of the term ‘younger’ (i.e. either equivalent to ‘youth’ or used in a relative sense).

3.2 The Labour Market Position of Older Workers

The purpose of this section is to provide an overview of the position of older workers in the Australian labour market, focusing on how older workers compare with younger groups of workers. Throughout we use official labour market statistics (though this need not mean that the data used have previously been published).

3.2.1 Labour Market Participation

From the outset, we consider the position of men and women in the labour market separately. This is because they have had markedly different experiences, notably in relation to changes over time. The growing participation of women, especially married women, in the labour force over the past two decades has been one of the defining features of the period. This is captured in Figure 3.1, which shows female participation rates for each age cohort to be higher in 1999 than they were in 1979. By contrast, for men the participation rate for each age cohort in 1999 is lower than the corresponding figure from two decades ago.

Table 3.1 reports labour force participation rates by age in May 1999. For both men and women there is an inverted U-shape pattern. Among men, participation rates peak among those aged 25-34 years, while for women the peak comes earlier at 20-24 years. Thereafter, for both men and women, participation rates for those in adult cohorts are relatively constant up to and including those aged 45-54 years, after which they drop off rapidly.

Except for teenagers (where rates for males and females are close to equal), the participation rate for men exceeds that for women in each age group. It does so by 9 percentage points among 20-24 year olds, and thereafter a gap of at least double that size opens up until age 65 is reached. For persons aged 65 years or more participation rates for both men and women are, not surprisingly, very low.

The rising participation rate of women is also captured in Table 3.2 which shows employment/population ratios for the month of May every five years, commencing in 1979. These ratios have risen from 39.6 per cent of all women aged 15 years or more in 1979 to 49.8 per cent in 1999. For men, they have fallen over the same period with three in four men aged 15 years or more in work in 1979 compared with two in three in 1999.

In examining employment/population ratios, account needs to be taken of the level of economic activity and the phase of the cycle as well as underlying changes in the participation rate. Thus, part of the decline in overall male employment/population ratios is due to the unemployment rate being considerably higher in 1999 than it was in 1979, as well as the long-term downward trend in participation rates.

All male age groups have witnessed a fall in employment/population ratios over the period. Measured in terms of percentage points, the fall has been most pronounced among 55-59 year olds — a decline of 12.5 percentage points. In proportionate terms, the decline has been most evident for the youngest men (15-19 year olds) and men aged over 55 years — all these groups have seen a fall of at least 15 per cent. By contrast, men aged between 20 and 54 years have seen a decline in the employment/population ratio of no more than 8 per cent. The group of 55-59 year olds differs from all others in having a declining employment/population ratio at each point in time — neither the 1989 nor the 1999 relatively buoyant labour markets quelled this,

compared with the respective periods five years earlier when labour market conditions were less favourable. For those aged 45-54 years, labour market downturns appear to be associated with a decline in the employment/population ratio which is not reversed as conditions improve, leading to a secular shift downwards (though below average when compared to men as a whole).

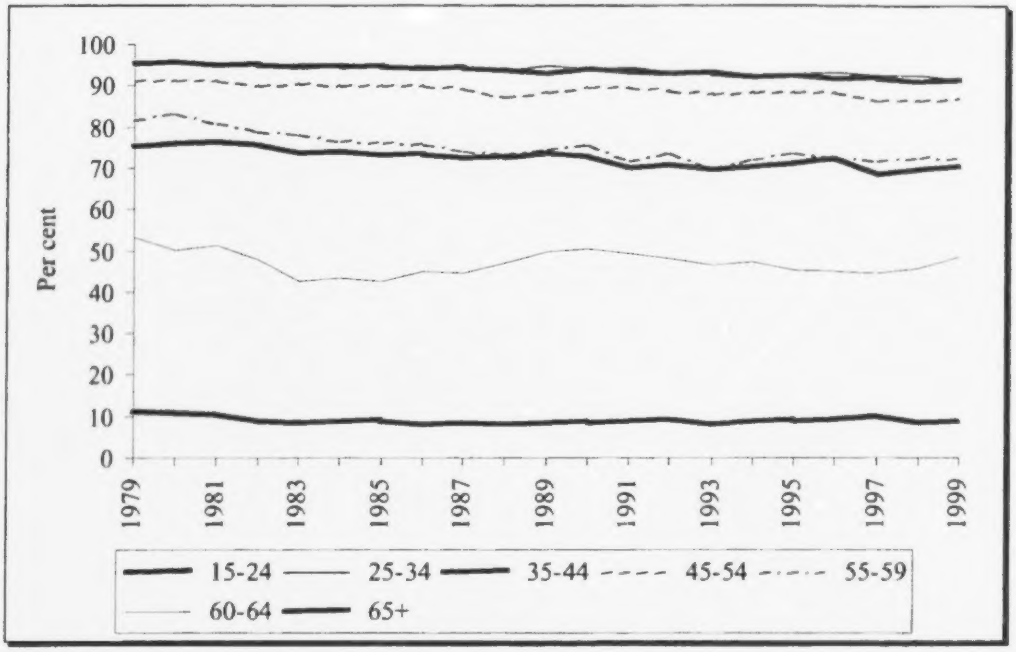
While women as a whole saw, as noted above, a rise in the employment/population ratio, this was uneven across different age groups. The biggest growth has been among those aged 55-59 years, where the ratio increased by 59 per cent, and those aged 45-54 years, where it rose by 49 per cent. For younger women, the increase was much smaller, especially for 15-19 year olds (3.5 per cent) and 20-24 year olds (11.4 per cent). The differing trends for men and women mean that, over time, employment/population ratios have been converging. For youth they are now broadly on a par and for prime-age adults the gap has narrowed from around 40 percentage points to half this amount.

In preparing for work, and then throughout their lifetime, people will acquire varying levels of formal educational qualifications. The highest level of educational attainment for people of different ages is shown in Table 3.3. Two sets of figures are provided: the percentage of those in the population with a given educational attainment; and, the percentage of those in employment. Comparing the two sets of figures with one another, it is clear that educational attainment is generally greater among those in employment than in the wider population. Men with degrees or better make up 17 per cent of those working and 14 per cent of those aged 15 years or more, while the difference among women is 5 percentage points. This is readily explainable through a conventional human capital argument, with those opting not to work less likely to 'invest' in further education if it is not going to yield a return. It is also consistent with a sorting argument whereby, given the choice, employers will opt for someone who has higher educational qualifications, and some of those with lesser qualifications may then choose to withdraw from the labour force.

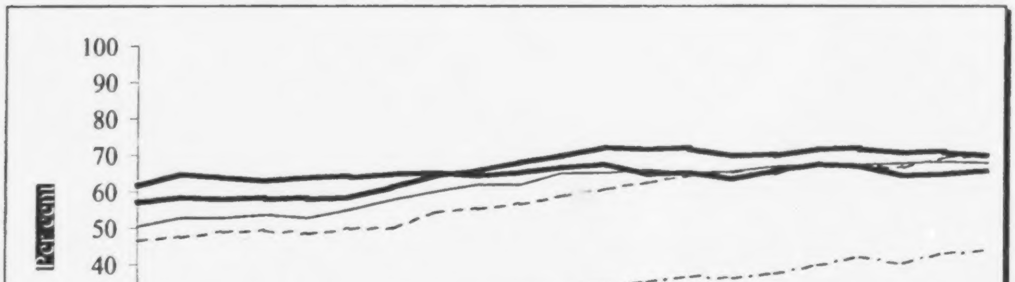
The one clear finding among those in employment, with respect to age, is that the oldest workers have the largest proportion that did not complete the highest level of secondary schooling, while the lowest is among younger workers. This clearly reflects changing attitudes towards education over time, with rapid rises in retention rates to the final years of school during the 1980s and 1990s (though falling somewhat in recent years). Youth are a special case, as a high proportion is either still at school or studying for post-schooling qualifications while working part-time. Thus, the cohort of 15-24 year olds presently have by far the highest proportion who have completed the highest level of secondary schooling, but over time some of this group will move into other categories as they attain higher qualifications. Barring youth, mature-age workers have the lowest proportion of those with degrees or better, though the differences are not especially wide — for example, 9 percentage points for women and 5 percentage points for men when comparing 25-34 year olds with those aged 55-64 years.

Figure 3.1 Participation rates, by age and sex, 1979 to 1999 (August)

Males



Females



Source: AUSSTAT Time Series, various tables.

Table 3.1 Labour force participation rates by age and sex, May 1999 (% of civilian adult population in labour force)

	Males	Females	Persons
15-19	57.6	58.0	57.8
20-24	86.0	77.4	81.8
25-34	92.1	69.0	80.5
35-44	91.3	70.3	80.7
45-54	87.4	69.0	78.3
55-59	71.6	43.9	57.9
60-64	45.9	16.8	31.3
65+	9.5	2.9	5.8

Source: ABS, *Labour Force, Australia, May 1999* (ABS cat. no. 6203.0), Table 10.

3.2.2 Unemployment and Labour Mobility

In Figure 3.2, we present unemployment rates from 1979 to 1999 for men and for women of different ages. For men, unemployment rates have followed conventional cyclical patterns but appear to have ratcheted upwards over the period — this can be observed by comparing the peak (or trough) of one cycle with another. This also appears to have been the case for women, though the effect is more muted.

Of most interest to us is the position of older workers. The position of men aged 55-64 has worsened, in common with most other men, over the period but this is not the case for men aged 65 years or more. For much of the period in question, men aged 60-64 had an unemployment rate higher than all other groups except for men in their youth (whose rate was substantially higher for the whole period). It was not until 1995 that the unemployment rate for men of this age reverted back to within the bands set by men of other ages. In absolute terms, the unemployment rate for men aged 55-59 years almost doubled and those aged 60-64 years tripled when comparing 1979 with 1999, the latter at a time of buoyant labour market conditions. There is no evidence to suggest that the position of men aged 45-54 years worsened relative to prime-age males over the period.

Older women, especially those aged 60 years or more, are, as we have seen above, relatively unlikely to be in the labour force. As such, the unemployment rates for women of this age who are in the labour force may not be capturing the true state of the labour market for this group. Certainly, throughout the twenty year period, the unemployment rate never rises above 3.6 per cent for women aged 60-64 years and 3.1 per cent for women aged 65 years or more — and, for the latter, it is essentially zero for many years.

Table 3.2 Employment/population ratios, by age and sex, 1979 to 1999 (May) (% of civilian adult population in employment)

	1979	1984	1989	1994	1999
Males					
Youth					
15-19	54.5	48.6	53.6	42.1	46.4
20-24	82.9	76.6	81.8	72.2	76.6
Prime-age adults					
25-34	92.3	87.9	89.8	84.3	85.3
35-44	93.4	90.5	90.6	85.7	86.5
Mature-age adults					
45-54	89.3	86.0	86.2	83.1	83.2
55-59	78.8	74.0	70.9	67.1	66.3
60-64	52.0	40.6	46.7	42.2	43.0
65+	11.2	9.1	9.2	9.1	9.4
Total	74.4	69.8	71.2	65.9	67.0
Females					
Youth					
15-19	46.3	47.2	49.6	42.6	47.9
20-24	62.1	65.1	72.1	68.4	69.2
Prime-age adults					
25-34	47.1	50.2	61.0	61.1	64.8
35-44	55.1	54.8	66.7	65.2	66.2
Mature-age adults					
45-54	44.0	48.6	57.1	61.8	65.5
55-59	26.7	28.2	33.3	37.3	42.4
60-64	13.2	10.7	15.0	15.1	16.6
65+	2.0	2.1	2.2	2.5	2.9
Total	39.6	41.1	47.9	47.6	49.8

Source: ABS, *Labour Force, Australia* (ABS cat. nos 6203.0 and 6204.0), various issues.

This leads us naturally into a discussion about the adequacy of the unemployment measure, as conventionally defined. Unemployment, when measured using the International Labour Organisation convention (as is used by the ABS in measuring the official unemployment rate in Australia) is known to disguise some 'hidden' unemployment. These are people who have chosen to withdraw from the labour force because they have been unable to find work, but if their circumstances were to change and labour market prospects improve, they would be willing and able to commence work within the next four weeks.

Table 3.3 Highest educational attainment, by age and sex, May 1998 (% of population and % of employed)

	Higher degree or postgrad diploma	Bachelor degree	Under-graduate diploma/ Associate diploma	Skilled vocational qual.	Basic vocational qual.	Completed highest level of secondary school	Did not complete highest level of secondary school	Still at school
Males								
Per cent of populatio								
Youth (15-	0.3*	4.3	3.0	7.3	5.5	32.0	23.0	24.6
Prime-age								
25-34	3.1	14.3	7.1	23.3	6.5	17.9	27.7	0.1*
35-44	5.6	13.1	8.1	23.6	6.3	12.9	30.4	0.0*
Mature-age								
45-54	6.2	10.9	8.9	20.3	5.8	13.0	34.9	0.0*
55-64	3.9	7.2	6.4	23.4	4.7	11.1	43.3	0.0*
Total	3.8	10.3	6.7	19.3	5.9	18.0	30.7	5.4
Per cent of employed								
Youth (15-	0.4*	6.0	4.4	10.8	6.9	35.9	25.7	10.0
Prime-age								
25-34	3.4	15.6	7.6	25.1	6.3	17.3	24.7	0.1*
35-44	6.0	14.2	8.6	24.3	6.4	12.9	27.5	0.0*
Mature-age								
45-54	7.1	12.0	9.7	21.3	6.0	12.6	31.2	0.0*
55-64	5.4	8.6	7.4	25.4	4.9	10.9	37.5	0.0*
Total	4.6	12.1	7.7	21.6	6.2	17.7	28.2	1.7
Females								
Per cent of populatio								
Youth (15-	0.9	6.6	5.8	2.3	8.3	33.5	17.0	25.6
Prime-age								
25-34	4.4	16.6	10.6	4.4	12.9	18.5	32.4	0.1*
35-44	5.7	12.5	10.5	3.2	13.0	14.2	40.9	0.0*
Mature-age								
45-54	5.0	8.9	10.1	2.7	12.2	12.6	48.4	0.0*
55-64	3.1	6.0	7.4	1.9	8.0	13.9	59.7	0.0*
Total	3.9	10.7	9.1	3.0	11.2	18.9	37.8	5.4

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	Higher degree or postgrad diploma	Bachelor degree	Under-graduate diploma/ Associate diploma	Skilled vocational qual.	Basic vocational qual.	Completed highest level of secondary school	Did not complete highest level of secondary school	Still at school
Per cent of employed								
Youth (15-	1.3	10.5	8.5	2.9	10.3	37.5	14.0	15.0
Prime-age								
25-34	5.5	20.8	11.9	4.8	13.8	19.4	23.8	0.1*
35-44	7.1	15.0	12.3	3.3	13.7	13.1	35.5	0.0*
Mature-age								
45-54	6.6	10.8	12.4	2.8	12.5	12.9	41.9	0.1*
55-64	6.1	11.2	12.1	1.5	9.6	13.8	45.6	0.0*
Total	5.3	14.4	11.4	3.3	12.5	19.7	30.2	3.1

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.

Source: ABS, Transition from Education to Work survey, unpublished data.

Table 3.4 Unemployment rates by age and sex, September 1998 and May 1999

	Males			Females		
	Sept. '98 Official	Sept. '98 Official + discouraged	May '99 Official	Sept. '98 Official	Sept. '98 Official + discouraged	May '99 Official
Youth						
15-19	20.7	21.2	19.5	19.1	19.9	17.3
20-24	13.2	13.4	10.9	9.9	10.2	10.6
Prime-age adults						
25-34	7.4	7.5	7.4	7.1	7.8	6.1
35-44	5.9	6.2	5.2	6.4	8.0	5.8
Mature-age adults						
45-54	6.2	6.5	4.9	4.9	6.9	5.0
55-59	8.4	9.7	7.3	6.4	12.0	3.4
60-64	5.4	9.6	6.4	3.3*	13.4	1.5*
65+	0.9*	10.6	1.2*	2.5*	10.2	1.9*
Total	8.3	8.9	7.5	7.8	9.4	7.1

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.

Sources: ABS, Labour Force, Australia, May 1999 & September 1998 (ABS cat. no. 6203.0).
ABS, Persons Not in the Labour Force, Australia, September 1998 (ABS cat. no. 6220.0).

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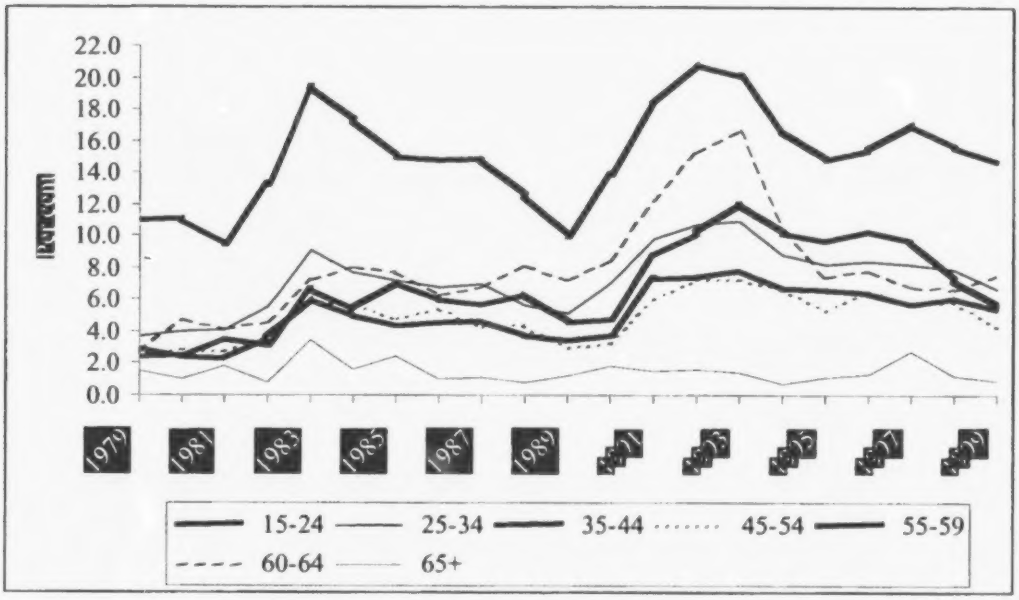
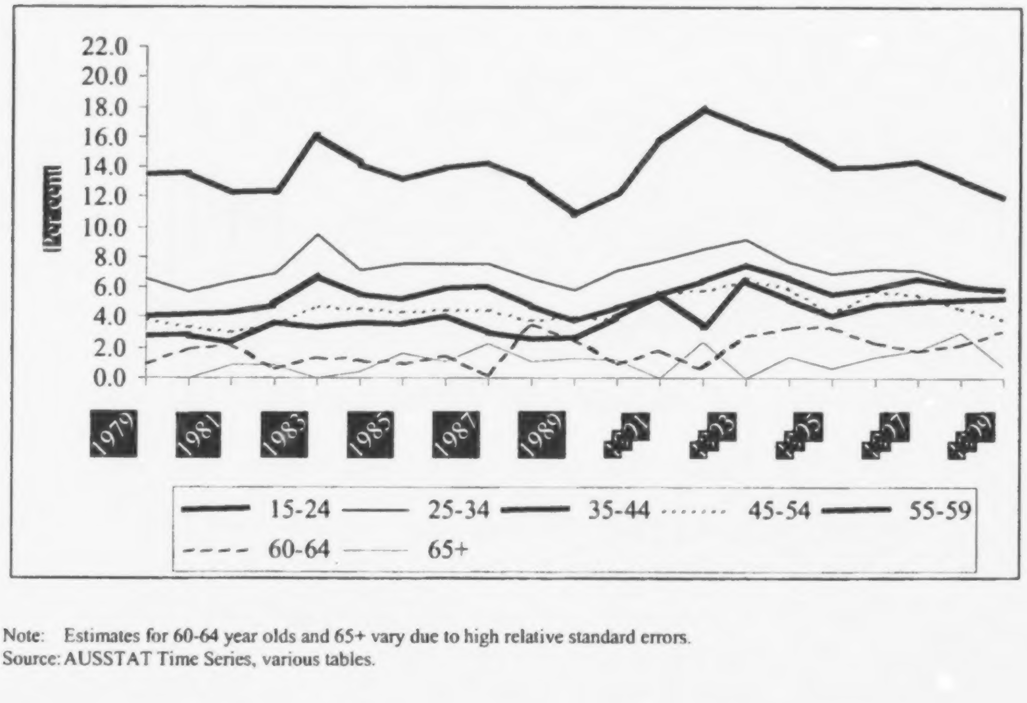
Figure 3.2 Unemployment rates by age and sex, 1979 to 1999 (August)

Males



Females



Note: Estimates for 60-64 year olds and 65+ vary due to high relative standard errors.
Source: AUSSTAT Time Series, various tables.

As shown in Table 3.4, this 'discouraged worker' effect is closely associated with age and is most prevalent among older people. Once we take this into account, unemployment among mature-age workers is more substantial, in relative terms, than the standard measures suggest. For example, among those aged 60-64 years, the unemployment rate for men after allowing for discouraged workers rises from 5.4 per cent to 9.6 per cent and for women from 3.3 per cent to 13.4 per cent. Among discouraged workers, 37 per cent said their main reason for being discouraged was that they were considered too old or too young by employers, but we do not know how this varies by age.

Table 3.5 Main Difficulty in Finding Work by Age by age and Sex, July 1998 (% of unemployed)

	Too old or too young	Insufficient experience or skills	Too many applicants	No vacancies	Other reasons / no difficulties
Males					
Youth (15-24)	5.2*	27.8	16.1	25.2	25.6
Prime-age adults					
25-34	3.8*	27.0	15.8	24.1	29.3
35-44	14.0	14.1	15.3	22.9	33.7
Mature-age adults					
45-54	36.5	8.6*	9.7	16.8	28.4
55+	66.4	0.0*	2.2*	16.3*	15.2
Total	16.3	20.0	13.7	22.5	27.3
Females					
Youth (15-24)	8.6*	32.8	14.2	16.3*	28.2
Prime-age adults					
25-34	9.0	26.8	18.3	16.9	29.1
35-44	13.2	24.3	11.3	18.3	33.0
Mature-age adults					
45-54	37.1	15.5*	10.9*	12.0*	24.5
55+	49.6	5.4*	7.5*	0.0*	37.5
Total	15.5	26.1	13.7	15.5	29.1

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.
Source: ABS, Job Search Experience of Unemployed Persons (ABS cat. no. 6222.0).

Supporting evidence for an age effect is also evident in Table 3.5, which shows, of those (officially) unemployed, the main difficulty faced in finding work. The proportion saying they were too old or too young to find work rises dramatically with age, with two in three men and half of women aged 55 years or more identifying this as the main difficulty, compared with around one in six overall from both sexes. It should be noted here that the population excludes those who are discouraged workers. Had they been included this would most likely have raised these figures.[43]

Table 3.6 Average Duration of Unemployment, by age and sex, 1979 to 1999 (May) (number of weeks)

	1979	1984	1989	1994	1999
Males					
15-19	25.0	31.6	22.7	30.8	22.7
20-24	27.6	43.9	54.5	52.1	48.6
25-34	na	53.9	61.4	65.8	47.5
35-44	na	(a)	78.9	72.6	78.7
45-54	na	(a)	94.4	100.8	103.3
55+	na	na	95.2	98.2	137.9
Total	30.7	48.4	64.1	65.9	64.3
Females					
15-19	27.8	30.6	21.4	23.2	23.0
20-24	27.6	39.0	34.8	46.5	37.5
25-34	na	37.8	35.3	46.0	54.9
35-44	na	(a)	44.4	52.8	43.9
45-54	na	(a)	61.3	61.6	56.0
55+	na	na	60.3	125.1	50.4
Total	27.9	39.3	35.8	47.1	42.3

Notes: na not available

(a) Separate figures for 35 to 44 year olds and 45 to 54 year olds could not be obtained from the ABS for May 1984. The average for the two groups combined, however, is published and were 57.0 weeks for males, and 46.9 weeks for females.

Sources: ABS, *The Labour Force, Australia* (ABS cat. no. 6203.0), various issues, and unpublished data.

Our third, and final, measure of unemployment is its average duration. As Table 3.6 demonstrates, unemployment duration is positively associated with age, and may have become more so over time. While partly hampered by a lack of available figures for older workers prior to 1989, it can be inferred from Table 3.6 that, for older men at least, average unemployment duration has lengthened compared with younger cohorts. For example, relative to the average duration for all male unemployed, the spell of unemployment for men aged 55 years or more was about half as long again in 1989 and 1994, and more than twice as long in 1999. The pattern is less clear-cut for women of the same age — two-thirds longer in 1989, approaching three times longer in 1994, but only slightly longer in 1999.

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[43] Bearing in mind that the two surveys were conducted just two months apart (July 1998 and September 1998), it is estimated that the proportion of those who felt that their age was the main barrier to employment rises from 16 per cent to 21 per cent if we expand the base to include discouraged workers.

Indeed, while the figures for these workers are within the bounds of reasonable error, they do exhibit a lot of volatility. Thus, in 1989 for women aged 55 years or more, the average duration was 60.3 weeks, more than doubling to 125.1 weeks in 1994 and then falling below the 1989 figure to 50.4 weeks in 1999. Part of this might be explainable with reference to the state of the economic cycle — better in 1989 and 1999, worse in 1994 — but figures for other groups do not show the same degree of volatility. It is probably safest to simply conclude that it is the oldest workers who are the most likely to have above-average spells of unemployment.

Table 3.7 Labour mobility, by age and sex, February 1998 (% of those working in year who ceased a job)

	Males			Females		
	Voluntary turnover	Involuntary turnover	Total mobility	Voluntary turnover	Involuntary turnover	Total mobility
Youth (15-24	16.7	11.7	31.5	21.8	8.8	33.3
Prime-age adults						
25-34	11.3	7.8	23.5	15.2	6.5	25.9
35-44	6.1	7.0	16.6	8.6	6.8	18.6
Mature-age adults						
45-54	3.9	5.7	13.3	5.8	7.0	15.2
55-69	6.2	7.8	15.5	8.2	8.7	18.1
Total	8.9	7.9	20.3	12.5	7.3	22.9

Source: ABS, Labour Mobility survey, unpublished data.

Rates of labour mobility also shed partial light on the differential labour market circumstances of older people. Figures from the most recent ABS Labour Mobility Survey are reported in Table 3.7. The reasons for a worker leaving a job can be loosely divided into voluntary and involuntary reasons. For both men and women, mobility is highest among the youngest workers (15-24 years old) and lowest among those aged 45-54 years.[44] This is mostly explained by variability in voluntary turnover, which is more than four times higher for young men and three times higher for young women when comparing these two age groups. The oldest workers, those aged 55-69 years, have greater rates of both voluntary and involuntary turnover than those in the age band below them.

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[44] The total mobility figure is not equivalent to the sum of voluntary and involuntary turnover as it includes an additional category of people who changed locations but not employer.

Table 3.8 Casual employment, by age and sex, 1984 to 1998 (August) (% of employees who are casual)

	1984	1989	1993	1998
Males				
Youth				
15-19	24.4	35.5	49.9	55.2
20-24	11.9	17.3	21.7	30.2
Prime-age adults				
25-34	6.5	9.7	12.8	19.3
35-44	7.1	8.2	11.6	16.2
Mature-age adults				
45-54	5.9	8.6	11.8	17.4
55+	8.5	15.2	16.7	25.8
Total	9.1	13.1	16.4	22.6
Females				
Youth				
15-19	35.9	48.8	67.4	74.2
20-24	16.7	20.9	27.0	34.2
Prime-age adults				
25-34	23.1	25.7	24.8	24.4
35-44	31.5	29.9	29.0	29.8
Mature-age adults				
45-54	27.5	27.8	27.1	25.8
55+	25.9	30.9	31.2	31.3
Total	26.1	29.3	30.6	32.0

Source: ABS, Labour Force supplementary survey, unpublished data.

Table 3.9 Part-time employment share, by age and sex, 1979 to 1999 (May) (%of total employment)

	1979	1984	1989	1994	1999
Males					
Youth					
15-19	16.6	21.2	30.1	48.5	55.3
20-24	5.2	6.7	8.8	15.7	21.3
Prime-age					
25-34	3.3	3.3	4.0	5.7	7.6
35-44	2.3	3.1	2.8	5.1	5.9
Mature-age					
45-54	2.9	3.6	3.7	5.6	7.2
55-59	4.9	5.5	7.9	9.4	11.0
60-64	8.5	12.6	12.8	18.1	22.6
65+	38.9	38.5	42.4	36.2	44.1
Total	5.4	6.1	7.6	10.5	13.0
Females					
Youth					
15-19	25.8	35.8	46.0	71.6	74.8
20-24	15.3	18.4	21.0	29.2	36.6
Prime-age					
25-34	39.2	36.3	37.0	35.6	32.9
35-44	44.5	46.0	46.4	47.7	47.8
Mature-age					
45-54	40.0	42.9	43.5	41.5	42.3
55-59	41.8	45.8	48.5	47.9	49.2
60-64	44.9	48.0	53.5	56.0	56.5
65+	54.2	64.4	58.2	60.3	75.1
Total	34.8	37.1	39.9	42.9	44.3

Source: ABS, *The Labour Force, Australia* (ABS cat. nos 6203.0 and 6204.0), various issues.

Further disaggregations of the reasons for ceasing a job are available but it is not possible to separately identify the rate of retirement of older people, as this is grouped together with those leaving for a better job, those opening up their own business, and those quitting to look after their family or some other reason. Thus, in part, the higher rate of voluntary turnover among those aged 55-69 years when compared with those aged 45-54 years reflects a greater propensity to retire from the labour force. No parallel age-based explanation is to hand, however, in accounting for the higher rate of involuntary turnover of the older age group.[45]

3.2.3 Employment Characteristics

The discussion now turns to those in work, focusing on the characteristics of their employment and notable age differences when comparing older workers with their younger counterparts. We turn first to the incidence of so-called 'atypical' employment — including casual employment and part-time employment — which, as we shall see, is surely a misnomer when it comes to older workers (as with many other groups in the workforce).

Casual employment, defined here by the absence of entitlement to paid annual leave or paid sick leave, is pronounced among older workers. As can been from Table 3.8, in August 1998 around a quarter of male employees and a third of female employees aged 55 years and over were casual employees. Only those in their youth had a higher representation in casual jobs, and this mainly reflects the dominance of those combining work and study.

Casual employment has risen most rapidly for men, across all age groups. For the oldest male workers (55 years or more) the growth since 1984 has been somewhat greater than for all males — in 1984, the share of casual employment for these workers was slightly below the total male proportion, whereas by 1998 it exceeded the total figure by 3.2 percentage points. Among women, casual employment has grown rapidly for younger workers — this is largely explained by the simultaneous growth in student numbers for people in this age bracket — while for those of prime-age or mature-age, the proportion in casual employment has not altered greatly.

Closely related to casual employment is part-time employment.[46] Indeed, over two-thirds of all casual jobs are part-time jobs and only a slightly lesser proportion of part-time jobs are casual jobs. Much of the discussion in the literature surrounding the growth in female employment has concentrated on part-time working. This has neglected the emerging importance of part-time working for male workers. Table 3.9 shows that this has more than doubled, albeit off a low base, from 5.4 per cent of those employed in 1979 to 13.0 per cent in 1999. In fact, in the last ten years the growth in the number of men working part-time has outstripped the growth in the number of women working part-time. The proportion of males working part-time has more than tripled for youth and more than doubled for prime-age and mature-age workers. Within the finer age cohorts only the oldest male workers (65 years or more) have seen a modest rise in the proportion working part-time, in what was already a substantial proportion in 1979.

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[45] Strictly speaking, this may not be true, as ill health or injury is included among the reasons for involuntary turnover and this may be positively associated with age. However, this accounts for only 10 per cent of the total of involuntary job losses and it is only weakly associated with job tenure (itself, strongly associated with age).

[46] The ABS defines this as those who usually work less than 35 hours per week and did so in the reference week.

Table 3.10 Underemployment, by age and sex, 1979 to 1999 (May)
(% of part-time employed who prefer more hours)

	1979	1984	1989	1994	1999
Males					
Youth					
15-19	19.1	33.3	21.0	30.6	23.4
20-24	26.0	40.1	29.8	42.4	39.9
Prime-age adults					
25-34	74.1	39.0	35.3	62.0	48.4
35-44	20.1	29.7	29.2	50.3	43.0
Mature-age adults					
45-54	20.1	26.6	29.6	53.8	44.6
55+	6.3*	10.1	11.9	18.6	15.9
Total	18.1	28.9	23.7	39.9	33.3
Females					
Youth					
15-19	24.0	29.6	20.1	27.1	25.0
20-24	21.4	27.6	27.4	42.6	37.8
Prime-age adults					
25-34	10.2	14.4	14.6	23.5	21.3
35-44	10.8	13.5	14.8	21.4	20.1
Mature-age adults					
45-54	8.6	11.2	15.0	17.1	18.9
55+	4.5*	5.0*	5.5	10.1	8.0
Total	11.8	15.7	15.7	23.0	21.4

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.
Sources: ABS, *The Labour Force, Australia* (ABS cat. nos 6203.0 and 6204.0), various issues.

Among women, the proportion in employment working part-time increased by about a quarter over the twenty years, from 34.8 per cent in 1979 to 44.3 per cent in 1999. The increase was disproportionately greater among youth — where it tripled for 15-19 year olds and doubled for 20-24 year olds — and among the older cohorts of mature-age adults. Counter to this trend has been the experience of prime-age females where the proportion working part-time fell for 25-34 year olds and remained relatively stable for 35-44 year olds. Among mature-age females, it has also been fairly stable for 45-54 year olds.

Table 3.11 Industrial composition of employment, by age and sex, May 1999 (% of employed)

	Age group						
	15-24	25-34	35-44	45-54	55-59	60-64	65+
Males							
Agriculture, forestry & fishing	5.4	4.7	5.3	5.1	8.5	11.3	35.2
Mining	0.7	1.5	2.0	1.5	1.0*	0.4*	0.0*
Manufacturing	14.1	17.8	17.1	14.8	14.5	15.8	8.3
Electricity, gas & water supply	0.3*	1.1	1.3	1.7	1.4*	0.5*	0.2*
Construction	12.1	12.1	12.0	10.4	11.9	12.0	3.5*
Wholesale trade	5.6	7.5	8.1	6.3	7.4	5.7	6.5
Retail trade	28.3	11.8	9.1	9.9	8.3	9.4	7.3
Accommodation, cafes & rest.	8.1	4.2	2.3	2.6	2.8	2.8*	3.5*
Transport & storage	2.5	6.0	7.2	8.1	8.3	7.3	3.6*
Communication services	1.3	2.4	2.3	2.5	1.6*	1.8*	0.3*
Finance & insurance	1.4	3.5	2.7	3.3	2.2	2.3*	2.5*
Property & business services	8.3	11.9	11.0	12.1	11.9	12.3	11.2
Government admin. & defence	1.6	3.4	4.7	5.1	6.5	3.8	1.1*
Education	1.9	3.0	4.6	6.6	4.3	4.6	3.5*
Health & community services	2.0	3.8	3.9	4.5	4.3	3.7	7.6
Cultural & recreation services	3.6	2.3	2.3	1.5	1.9	1.8*	2.0*
Personal & other services	2.7	3.0	4.1	3.9	3.2	4.6	3.7*
Total	17.0	24.7	25.4	21.5	6.3	3.3	1.9

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	Age group						
	15-24	25-34	35-44	45-54	55-59	60-64	65+
Females							
Agriculture, forestry & fishing	1.7	2.1	3.5	4.3	6.9	12.2	24.6
Mining	0.2*	0.3*	0.1*	0.1*	0.0*	0.0*	0.0*
Manufacturing	4.4	8.3	8.4	8.4	7.5	7.4*	8.3*
Electricity, gas & water supply	0.3*	0.4*	0.3*	0.2*	0.0*	0.0*	0.0*
Construction	1.1	2.1	2.5	2.4	2.2*	2.7*	0.1*
Wholesale trade	3.4	5.5	4.5	4.3	5.1	1.5*	3.5*
Retail trade	37.3	14.4	12.2	12.2	12.8	12.8	9.3*
Accommodation, cafes & rest.	10.4	5.2	5.0	4.4	4.6	5.1*	2.9*
Transport & storage	3.0	3.1	2.8	2.4	2.4*	2.7*	1.7*
Communication services	1.3	1.6	1.6	1.3	0.9*	0.8*	0.0*
Finance & insurance	3.4	7.8	3.8	2.9	2.0*	0.8*	2.2*
Property & business services	9.1	12.8	11.3	9.7	8.9	9.3	10.5*
Government admin. & defence	2.0	5.2	5.0	5.3	4.1	3.4*	1.1*
Education	4.2	9.1	13.5	16.2	14.7	11.6	10.6*
Health & community services	9.8	14.4	18.9	20.6	22.4	22.3	15.7
Cultural & recreation services	3.8	2.8	2.3	2.2	1.9*	3.9*	3.7*
Personal & other services	4.9	4.8	4.1	3.1	3.3	3.4*	5.0*
Total	20.3	24.6	25.6	21.7	5.0	1.7	1.0

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.
Source: ABS, Labour Force survey, unpublished data.

There are various explanations accounting for the rapid growth in part-time employment, some of which emphasise changes in work organisation that leads to employers seeking more part-time workers, and others, which point to more 'supply-side' explanations. One way of testing whether the growth is largely supply- or demand-driven is through asking part-time workers whether they would prefer to work more hours than they do — this gives a measure of 'underemployment'. Table 3.10 shows that underemployment was much higher in 1999 than it was in 1979, with changes from one period to the next partly related to the phase of the economic cycle. Among men, it rose rapidly up to 1984, fell somewhat as labour market conditions improved to 1989, rose rapidly once more to 1994 — at which time, two in five men working part-time were doing so involuntarily — and since then it has eased off somewhat. Presently, one in three men working part-time would prefer to work longer hours. For women, changes have been less volatile though the overall growth in the proportion of part-timers who are underemployed has risen by the same extent as men.

Among mature-age adults, the growth in underemployment has been disproportionately greater. For example, the proportion of mature-age women employed part-time who were underemployed was higher at every period, more than doubling over the entire twenty years. It also doubled for men in the same age group, though oscillated throughout, especially over the last ten years. Despite this, it remains the case, as it did in every period, that the rate of underemployment was lowest for the oldest workers (55 years or more, in this case).

In Table 3.11, the composition of employment by industry (at the one digit ANZSIC level) and age is shown, for men and for women. It is apparent that younger workers are disproportionately found in retail trade and accommodation, cafés and restaurants, but for other age cohorts employment shares are fairly constant up to those aged 55 years or more. Beyond that age, the one clear trend that can be inferred is that self-employed workers are more likely to continue working beyond this age. Thus, a third of men and a quarter of women aged 65 years or more were working in agriculture, forestry and fishing, whereas this industry accounts for only 5 per cent of all in employment. Many of these older people continuing work beyond 65 years of age would be proprietor farmers.

There are also age differences in the occupational composition of employment, as seen in Table 3.12. Younger workers are predominantly found in intermediate- or low-skilled jobs, prime-age adults who have acquired the necessary skills and qualifications venture into more high skilled jobs (i.e., managers and administrators, professionals), and thereafter the employment shares are relatively stable across age cohorts except for those at 'conventional' retirement age. The probability of acquiring a management position appears to increase monotonically with age, for both men and women, though at 60 years of age and beyond, this may be more to do with relatively more managers remaining in work rather than retiring. By contrast, 'blue collar' workers of both sexes appear more likely to stop work by the time they turn 65 years old. This may be because the custom and practice of ceasing work at former mandatory retirement ages (as prescribed in awards) has persisted.

Table 3.12Occupational composition of employment, by age and sex, May 1999 (% of employed)

	Age group						
	15-24	25-34	35-44	45-54	55-59	60-64	65+
Males							
Managers &	1.3	6.1	11.6	13.8	15.9	16.5	37.0
Professionals	7.4	17.5	18.5	19.5	17.0	14.5	18.5
Associate	6.2	12.2	13.6	15.6	13.5	12.1	11.4
Tradespersons & rel.	25.6	23.7	21.9	16.5	16.9	17.7	7.8
Adv. clerical &	0.9	1.0	0.7	1.0	0.9*	1.1*	1.0*
Inter. clerical, sales &	10.7	9.4	7.8	7.5	7.0	7.4	5.4
Intermed. prodn &	12.5	13.8	14.2	14.6	16.2	12.8	6.5
Elem. clerical, sales	14.6	5.8	3.5	3.7	3.9	5.7	3.2*
Labourers & related	20.6	10.7	8.2	7.8	8.8	12.2	9.2
Total	17.0	24.7	25.4	21.5	6.3	3.3	1.9
Females							
Managers &	0.4*	3.0	4.9	4.9	8.3	11.9	20.0
Professionals	9.3	23.0	23.3	22.4	16.5	20.1	14.4
Associate	5.1	10.3	10.6	10.8	11.3	7.0*	10.9*
Tradespersons & rel.	3.3	3.5	2.8	2.3	3.0	1.3*	0.8*
Adv. clerical &	5.3	9.1	9.4	9.5	11.7	10.7	14.7
Inter. clerical, sales &	32.0	31.3	26.9	26.8	23.4	18.2	22.0
Intermed. prodn &	2.2	2.4	3.0	3.5	3.1	3.5*	0.8*
Elem. clerical, sales	35.1	11.4	10.4	9.9	10.6	13.4	7.2*
Labourers & related	7.3	5.9	8.7	9.9	12.1	13.9	9.2*
Total	20.3	24.6	25.6	21.7	5.0	1.7	1.0

Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.
Source: ABS, Labour Force survey, unpublished data.

3.2.4 International Comparisons

The next three tables place the preceding tables in context by showing how Australia compares with other OECD countries. All figures pertain to 1998, and are available for three age sub-divisions only (15-24, 25-54, 55-64), meaning we are unable to separately examine the differential experience of the 45-54 year old cohort of mature-age workers.

Table 3.13 Labour force participation rate, by age and sex, OECD countries, 1998 (% of population in labour force)

	Males			Females		
	15-24	25-54	55-64	15-24	25-54	55-64
Australia	69.9	90.4	60.5	65.1	69.6	32.4
Austria	61.7	93.8	42.5	55.5	75.5	18.1
Belgium	35.7	91.7	33.9	29.4	70.5	14.2
Canada	63.6	91.3	59.6	60.4	77.3	38.2
Czech Republic	55.7	95.1	55.1	42.0	81.9	23.9
Denmar	71.5	91.9	61.1	71.5	82.8	44.2
Finland	54.1	90.2	44.5	45.1	84.0	39.7
France	30.9	94.5	41.3	25.0	77.9	31.2
German	52.9	93.2	55.6	46.3	73.5	33.4
Greece	44.3	94.2	57.0	37.3	59.4	24.4
Hungar	46.5	87.7	26.9	34.9	68.2	10.0
Iceland	63.8	96.1	93.3	67.3	85.4	83.0
Ireland	52.4	92.2	63.0	44.6	60.8	24.6
Ital	42.7	89.8	42.6	32.2	56.1	15.1
Japa	48.8	97.3	85.2	47.8	66.6	49.9
Korea	26.4	93.6	73.4	35.8	55.9	47.9
Luxembour	37.2	94.4	35.1	33.4	58.4	15.6
Mexico	71.8	96.7	83.3	37.1	45.8	28.3
Netherlands	68.9	93.7	46.9	67.1	70.5	21.5
New Zealand	67.9	91.4	70.6	62.4	72.8	46.3
Norwa	66.4	92.4	75.8	61.1	83.0	60.8
Poland	41.0	89.3	44.5	33.7	76.5	25.7
Portugal	51.1	93.1	67.3	43.6	74.9	40.0
Spai	51.7	92.7	57.7	40.9	58.9	21.4
Swede	51.4	90.5	71.4	48.5	85.4	63.6
Switzerland	70.6	97.0	81.7	63.7	78.6	63.7
Turke	57.8	92.2	58.2	30.6	30.5	25.5
United Kingdom	73.4	91.4	62.6	65.4	75.1	39.8
United States	68.4	91.8	68.1	63.3	76.5	51.2
OECD average	57.0	93.0	63.7	46.4	67.5	38.0

Source: OECD Employment Outlook, June 1999, OECD, Paris.

International comparisons can be fraught with problems as differences in the standing of older workers may arise from cross-country differences in social *morés* and values and institutional arrangements (e.g., old-age pensions), as much as from the state of the labour market. This is especially so in this area given the high degree of variability in the labour market position of older workers from one country to the next. The best that can be done here is to situate Australia within the context of a wider view.

Table 3.14Employment-population ratio, by age and sex, OECD countries, 1998 (% of population in paid work)

	Males 15-24	25-54	55-64	Females 15-24	25-54	55-64
Australia	59.0	84.3	56.3	56.5	65.6	31.0
Austria	57.1	89.2	39.6	51.3	71.6	17.1
Belgium	29.2	85.7	32.1	22.6	62.9	13.4
Canada	53.0	84.7	55.5	52.1	71.8	35.6
Czech Republic	49.8	91.4	53.2	35.9	76.0	22.9
Denmar	66.7	88.9	58.6	66.0	77.7	41.3
Finland	43.2	82.1	38.3	34.1	75.6	34.2
France	24.2	85.8	37.9	17.5	68.0	28.3
German	47.5	86.1	48.9	42.5	67.6	28.7
Greece	34.0	88.0	55.0	21.5	50.8	23.4
Hungar	39.6	81.6	25.6	30.9	64.0	9.5
Iceland	59.7	94.8	91.6	63.5	82.9	81.9
Ireland	46.2	85.1	59.6	39.7	56.8	23.5
Ital	30.7	83.3	40.5	20.2	48.6	14.4
Japa	44.8	94.3	79.8	44.3	64.0	48.5
Korea	30.9	86.8	71.3	31.2	53.1	46.9
Luxembour	35.1	92.8	35.1	31.0	56.2	15.3
Mexico	68.4	94.8	82.4	34.7	44.6	38.1
Netherlands	63.5	91.1	46.0	61.3	67.1	20.8
New Zealand	57.3	85.9	67.1	54.0	68.1	44.4
Norwa	60.1	90.2	74.2	55.3	81.1	59.8
Poland	32.2	82.2	41.7	25.2	67.9	24.3
Portugal	46.9	90.2	64.7	38.8	70.9	38.9
Spai	37.7	82.0	52.1	23.2	44.8	18.8
Swede	42.4	83.4	65.8	40.7	79.1	60.3
Switzerland	67.3	94.3	78.4	59.3	75.5	62.3
Turke	49.5	87.8	56.8	26.7	29.1	25.4
United Kingdom	63.3	86.4	58.3	58.5	71.7	38.5
United States	60.8	88.8	66.2	57.2	73.6	50.0
OECD average	49.9	88.2	60.2	40.3	63.0	36.3

Source: OECD Employment Outlook, June 1999, OECD, Paris.

Tables 3.13 and 3.14 show a consistent pattern when Australia is contrasted with the OECD average: youth are relatively more likely to be in the labour force and in work, while the opposite is true for mature-aged people. These differences are more pronounced for women.

Across all OECD countries, the average rate of labour force participation among mature-age people (both men and women) is in the order of 30 percentage points lower compared with prime-age people. While a decline with age is evident in *all* countries, the scale of it varies a great deal. In some countries — Iceland, Japan, Korea (women only), Turkey (women only), and Switzerland — it is modest, whereas in others — Austria, Belgium, Czech Republic (women only), France, Hungary, and Poland — it is very substantial. In general, where the decline is modest, labour force participation rates of older persons are among the highest — Iceland is especially notable with 93 per cent of older men and 83 per cent of older women participating in the labour force. Turkish women are an exception to this, with the participation rate being relatively low among all age groups.

These patterns are largely replicated when we turn to the employment-population ratio, as shown in Table 3.14. Australia is broadly in line with the OECD average, except for youth where the proportion in employment is much higher than the average.

On unemployment, the picture is very mixed, as can be seen in Table 3.15 and as already noted, in all countries both participation rates and employment-populations ratio decline with age. In contrast, there is no clear pattern with unemployment. Across the OECD as a whole, the average unemployment rate for older men is about the same as that for prime-age men, while for women it falls from 6.5 per cent to 4.3 per cent. The Australian figures exhibit the same pattern, though the unemployment rate for men is 1.5 percentage points higher than the average.

Unemployment rates for older workers are very high — around 10 per cent or more — in Finland, Germany and Spain. In the first two of these countries the rate rises substantially from prime-age to older workers, as it also does in Austria and Japan (for men only), whereas in Spain the rate is below that of prime-age workers (especially for women where it is halved). There are a large number of countries where the unemployment rate for both male and female older workers is substantially below that of their prime-age counterparts. The list includes Greece, Italy, Luxembourg, Poland and Turkey. Finally, in a number of countries the unemployment rate for older workers is very low indeed, nearing zero for both men and women: Iceland, Luxembourg, Mexico, Norway and Turkey are all examples of this.

Table 3.15 Unemployment rate, by age and sex, OECD countries, 1998 (% of labour force who are unemployed)

	Males **15-24**	**25-54**	**55-64**	**Females** **15-24**	**25-54**	**55-64**
Australia	15.7	6.7	7.0	13.2	5.7	4.4
Austria	7.4	4.9	6.6	7.6	5.2	5.7
Belgium	18.3	6.6	5.3	23.0	10.7	5.4
Canada	16.6	7.2	6.9	13.7	7.1	6.9
Czech Republic	10.6	3.9	3.6	14.6	7.2	4.4
Denmar	6.7	3.3	4.2	7.7	6.1	6.4
Finland	20.0	9.0	14.0	24.5	10.1	13.9
France	21.9	9.3	8.3	30.0	12.7	9.3
German	10.4	7.5	12.0	8.2	8.0	14.0
Greece	23.1	6.5	3.7	42.4	14.4	3.9
Hungar	14.8	6.9	4.7	11.6	6.1	5.1
Iceland	6.4	1.3	1.8	5.6	2.9	1.4
Ireland	11.9	7.7	5.3	11.1	6.7	4.6
Ital	28.1	7.2	4.8	37.2	13.4	4.5
Japa	8.2	3.1	6.3	7.3	3.8	2.9
Korea	20.8	7.2	5.4	12.8	4.9	1.9
Luxembour	5.8	1.7	0.0	7.1	3.9	1.9
Mexico	4.7	1.9	1.1	6.4	2.7	0.5
Netherlands	7.8	2.8	2.0	8.7	4.8	3.1
New Zealand	15.6	6.0	4.9	13.5	6.2	4.1
Norwa	9.5	2.3	2.0	9.4	2.3	1.7
Poland	21.5	8.0	6.2	25.2	11.2	5.5
Portugal	8.3	3.1	3.8	10.9	5.4	2.8
Spai	27.1	11.5	9.6	43.4	24.1	12.1
Swede	17.5	7.8	7.8	16.1	7.3	5.2
Switzerland	4.7	2.8	4.1	7.0	4.0	2.3
Turke	14.5	4.8	2.4	12.7	4.5	0.7
United Kingdom	13.8	5.5	6.8	10.5	4.5	3.1
United States	11.1	3.3	2.8	9.8	3.8	2.4
OECD average	12.5	5.2	5.5	13.1	6.5	4.3

Source: OECD Employment Outlook, June 1999, OECD, Paris.

3.2.5 *Conclusion*

The purpose of this section was to provide sufficient background about the context of older workers' labour market experience so as to inform the analysis of participation in training, and barriers to it, reported in the sections to follow. As we have seen, older workers constitute a distinct group in the labour market. Their experience of work is quite different from the generation following in their immediate wake, as a number of them begin to make the transition out of the labour market. Not all do so willingly. Older workers have relatively high levels of unemployment once discouraged workers are taken into account. They also have the longest average duration of unemployment. Most pointedly, a very high proportion of older workers not in work believe their age is the main factor preventing this — at least two in three older men and one in two older women who are unemployed job seekers are of this view. For those who remain in work, an increasing proportion of older workers now work part-time. Indeed, the incidence of part-time work has grown disproportionately among older workers (though it is true that part-time hours does appear to be consistent with the preferences of most of these older persons in part-time jobs).

Overall then, and in line with conclusions reached by VandenHeuvel (1999), it would appear that mature-age workers represent a disadvantaged group in the Australian labour market. What, perhaps, is less clear is whether this disadvantage reflects an ageing effect or a cohort effect. That is, are older workers disadvantaged in the labour market because of their age or because of their other characteristics? The data presented in this section indicate quite clearly that the oldest cohort of workers do indeed have different characteristics. They are, for example, far less likely to have post-school qualifications and are relatively more likely to be working in low skilled blue-collar jobs. It may be, therefore, that with rising educational attainment levels, future cohorts of older workers will be better placed to deal with the vagaries of the labour market.

Finally, while of relevance, the most salient issue for the present study is not labour market disadvantage per se, but whether this disadvantage carries over into the domain of training. It is this topic to which we now turn.

3.3 Participation in Training: Evidence from the 1997, 1993 and 1989 ABS Surveys of Education and Training Experience

As outlined in the literature review, much of our information on participation in training for Australian workers over recent years has come from three major surveys of education and training experience, undertaken most recently in 1997 and, prior to that, in 1993 and 1989. Each time, the survey has been undertaken by the ABS, and has involved large, nationally representative samples.

The surveys are especially good at identifying the types of training activities in which individuals participate — the activities involved, the training provider, the duration of training courses and so on — and their socio-demographic characteristics. In contrast, the surveys provide little information on the reasons why people might undertake training.

Indeed, questions on this are only asked of people who have not done any training. We draw on these data below in looking at barriers to training (Section 3.6).

In this chapter we present some of the descriptive evidence arising from the 1997 survey, making reference back to the earlier surveys as appropriate, with our focus on identifying age differences in participation, the juncture at which age appears to matter (i.e., the 'turning point' at which participation rates diminish), the volume of training undertaken, and whether training is supported by the employer or not.

The 1997 survey took place between March and May of that year.[47] Some 18 600 households were sampled, which after sample loss (e.g., no residents in scope, derelict buildings) fell to an effective sample of about 13 800 dwellings. From this, 22 704 individuals were found to be in scope and interviewed for the survey.[48] The results reported below are mostly produced from the Confidentialised Unit Record File (CURF) made available by the ABS in April 1999. The ABS warns that, as a result of steps taken to preserve confidentiality, it is possible that statistics produced using the CURF will not exactly match those published in *Education and Training Experience 1997* (ABS 1998). There are two areas where data have been suppressed by the ABS to preserve the anonymity of respondents and these have implications for the analysis that follows. First, information on age is banded into five year groups, apart from those aged 15-24 years (where individual years are recorded). Second, a number of variables have been totally withheld — these include location, indigenous status and whether disabled, all of which may be potential explanatory factors in the determinants of participation in training, or barriers to access.[49]

3.3.1 Definitions and Concepts

In conducting the survey, the ABS took great care to ensure that respondents were fully conversant with the meanings of all the terms used. The term 'training', as it is used in this report and in the ABS publications on the survey, encompasses several different types: study for an educational qualification; training courses, which can be divided into in-house courses or external courses; and unstructured training (often referred to as on-the-job training). Most care was taken over the definition of training courses. These were defined as:

> *... activities which were undertaken in Australia to obtain, maintain, or improve work-related skills, conducted at a designated time, in a structured format (ABS 1998, p. 128).*

To buttress this definition, more detail was provided on the content of courses that were eligible and examples given of courses to be included or excluded, the latter specifically distinguishing training courses from on-the-job training and educational study.

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[47] For a description of the earlier surveys, see Wooden (1995).

[48] To be in scope, an individual had to be 15 years old or more and either: (a) in, or marginally attached to, the labour force; (b) had a wage or salary job in the last twelve months; or, (c) be in full-time or part-time education. No information was provided by the ABS on non-response, and we can only assume that it was modest.

[49] However, in section 3.5, where we report results from analysis of an alternative data set that does include these variables (the 1995 AWIRS), none were found to be significant.

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The reference period for the survey was the preceding twelve months. For most of our analyses we confine attention to those who had a wage or salary job at any time in that period. One complication is that people may have participated in some training activity in the preceding twelve months, but were not in a wage or salary job at the time they undertook the training. This is most likely for those who have participated in an external training course — they may have been self-employed, or unemployed or marginally attached to the labour force at the time of the training. Similarly, as Table 3.7 identified, labour mobility in Australia is relatively high, so many people will have moved in and out of employment and between jobs during the reference period. As a consequence, training may have been obtained from more than one employer during the survey period. The survey, however, identified a 'main-period employer', and much of the questioning is about training undertaken while in their employ. When we come to look at employer support, however, we must bear in mind that this may have been provided by an employer other than the main-period employer.

It is also important to recognise that the training measures derived from this survey are far from perfect. They are mostly based on simple head counts and thus provide extremely crude measures of training participation. Data on hours spent in training are available but it is questionable whether they are superior. As discussed earlier in Chapter 2, predicting training hours on the basis of various individual and firm characteristics has proved extremely difficult, suggesting that the factors that explain training duration lie elsewhere (for example, institutional features that determine length of training courses).

Quantifying unstructured training is particularly problematic. Unstructured on-the-job training is defined in the ABS surveys by the undertaking of specific activities to improve job skills, and included asking questions of co-workers, teaching one's self, being shown how to do the work, and simply watching others. This definition is extremely broad and arguably too broad to convey any useful information (OECD 1991, p. 142). That is, the vast majority of workers are likely to respond that they had undertaken at least one of these activities, especially given the reference period covers an entire year.

Ultimately the problem with all of the measures of training derived from these surveys is that they are input- rather than output-based — there is no information on the quality and consequences of these unstructured training experiences. The surveys provide data on both the number of persons participating in training and the number of hours that training lasts, but nothing on the effectiveness of the training undertaken. This is a serious weakness with the data, especially given the possibility that the main training issue confronted by older workers is the way training is delivered, rather than simply the lack of access to training.

3.3.2 Persons with Some Training

The broadest possible definition of training participation is whether the individual took part in *any* form of training over the past twelve months. Table 3.16 shows the incidence of this by age in 1997 for people of varying employment status, defined as their status at the time they were surveyed.

Not surprisingly, the data presented in Table 3.16 reveal that the incidence of training is closely related to employment status, with employees more likely to have experienced some form of training than either the self-employed, the unemployed, or those who are marginally attached. This holds within each age band. However, the source of this difference is largely due to the very high proportion of employees who experience on-the-job training (see Table 3.23 below), which obviously is not an option open to persons not in work.

More importantly, this table also suggest the presence of a very strong 'age' effect, with rates of training participation declining with age for those aged 20 years or more.[50] The age effect also appears to be invariant with employment status. As it turns out, such a conclusion is erroneous. This is because status is defined here based on the individual's employment situation *at the time the survey was conducted*. Employment status for many individuals, however, will have changed over the year covered by the survey questions. This can affect how we interpret the relationship between age and training, particularly for the unemployed and marginally attached categories, since, as observed earlier, duration of unemployment (and joblessness more broadly defined) is correlated with age. Thus part of the reason why the incidence of training may be relatively high among younger unemployed is simply that they were much more likely to have been employed at some point during the previous year, and thus much more likely to have participated in some type of on-the-job training. In contrast, an older unemployed person is much more likely to have been continuously unemployed throughout the survey period, and therefore excluded from participation in on-the-job training. We return to this topic in section 3.3.8.

Table 3.16 Some training undertaken in the last 12 months, by employment status and age, 1997 (% of persons)

Age group	Employment Status				Total
	Employee	Self-employed	Unemployed	Marginally attached	
15-19	61.3	53.1*	47.5	19.0	50.3
20-24	92.6	80.9	74.6	62.5	88.3
25-34	86.8	74.4	57.8	34.7	79.2
35-44	83.6	69.4	46.7	28.7	74.8
45-54	77.6	62.8	42.5	20.9	69.4
55-64	62.5	47.1	33.6	19.5	52.6
Total	81.3	65.6	53.2	29.0	72.4

Base: Persons in, or marginally attached to, the labour force.
Note: * Relative standard error greater than 25 per cent — estimate should be treated with caution.
Source: ABS, *Education and Training Experience 1997* (cat. no. 6278.0), Table 1.2, pp. 16-17.

Overall, the data presented in Table 3.16 are of extremely limited value. Not only are the data on the various non-employee categories of little use, but the fact that there are a number of quite disparate forms of training covered also makes it very difficult to identify patterns of association. In most of what follows, therefore, the data on training are disaggregated into the four broad categories identified earlier; that is, in-house training;

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[50] The low rates of participation in training by teenagers may seem surprising given that the definition of training used here extends to include study for a formal educational qualification. Qualifications, however, were defined to only cover post-school qualifications and hence a large part of the explanation for the low training incidence among teenagers is that many are still attending secondary school.

external training; unstructured (on-the-job training) and educational study. Further, the focus is, for the most part, narrowed to cover only those persons who had a wage or salary job during the previous twelve months. Persons aged 15-19 year olds who were still at secondary school at the time of the survey are also excluded, even though they may have had part-time work or seasonal work in the past twelve months.[51]

3.3.3 In-house Training

In Figure 3.3 we examine participation in in-house training, by age and sex, using data from all three surveys. The continuous lines might be thought to imply that age is measured continuously, which it is not; rather, as discussed above, it is grouped into five-year bands, from 15-19 year olds through to those aged 60-64 years. In addition, for 1989 and 1993, all those aged 55-64 are grouped together — we have treated participation as constant across this age group, hence the constant participation rates shown in the figure for these years. This is likely to understate participation in in-house training for 55-59 year olds and overstate it for 60-64 year olds, but we have no other information from which we might impute separate participation rates for these sub-groups.

Table 3.17Participation in in-house training, by age, 1989, 1993 and 1997 (% of persons with a wage or salary job in last 12 months)

	1989	1993	1997
15-19	23.6	13.5	18.4
20-24	34.2	26.7	29.4
25-34	39.6	33.2	37.0
35-44	40.2	37.8	38.8
45-54	31.5	33.0	36.3
55-64	20.4	23.2	25.0
Total	34.9	31.3	34.2
Probability of no difference	<0.001	<0.001	<0.001

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, *Training and Education Experience 1993* (cat. no. 6278.0), Table 1.1, p. 9.

For all three surveys there is a reasonably consistent pattern by age, though it differs between men and women. The trajectory of participation in in-house training shows, for men, incidence rising steadily with age and peaking for prime-age adults — 40-44 year olds in 1997 and 1989, 35-39 year olds in 1993 — then it drops off just as steadily before returning to levels on a par with the youngest workers. The arc is parabolic, and the incidence of participation is broadly consistent across the three surveys. The one discernible change since 1989 is that the relative position of older men has improved. The level of participation in in-house training has dropped slightly for young men and prime-age men when compared with 1989, whereas for older men there has been an increase in participation, the crossover point occurring at 45-49 years.[52]

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[51] This group is excluded not only because their participation in training is very distinct from other employees of the same age, but also because they were not included within the scope of the 1989 and 1993 surveys. Comparisons over time thus necessitated their exclusion.

For women there is a quite different pattern, and one that is much less stable over time. First, the variation in participation by age is much lower. In common with men, it is lowest of all for teenage workers and for the oldest workers. However, the higher levels of participation enjoyed by workers between these two age groups is not as great as that for men and it is relatively constant. In 1989, participation peaked for women at 20-24 years, declined slowly at 40-44 years and then fell away more rapidly. By 1997, the trajectory looked more akin to that for men, with participation peaking among 30-34 year olds, staying broadly constant up till those aged 50-54 years, before dropping off again to levels experienced by the youngest workers. As with men, when comparing 1997 with 1989, the position of older women has improved, this time with the crossover point occurring even earlier at 30-34 years.

Table 3.18Duration of in-house training, by age, 1989, 1993 and 1997 (average hours spent in last 12 months)

Age	1989	1993	1997
15-19	50.5	40.5	35.2
20-24	62.2	35.3	35.4
25-34	52.9	38.3	37.6
35-44	46.6	39.6	38.9
45-54	45.1	37.6	31.7
55-64	33.1	28.8	34.1
Total	50.6	37.7	36.2

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students, who participated in some in-house training.

Note: In deriving the average time spent, people recording that they spent more than 1000 hours were treated as having done exactly 1000 hours.

Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

The relative improvement in the participation of older workers in in-house training over time can be further discerned from Table 3.17. Overall, the proportion of employees who took part in in-house training fell from 34.9 per cent in 1989 to 31.3 per cent in 1993 before recovering once more to be close to its initial level in 1997. However, while overall participation rates are almost equivalent between 1989 and 1997, they fell in all age categories from 15-19 year olds through to 35-44 year olds, and increased in the two age categories above this. Nonetheless, significant age differences still remain with, for example, a 9 percentage point gap between those aged 45-54 years and those aged 55-64 years.

While the incidence of in-house training has risen since 1989, the duration has fallen — as can be seen from Table 3.18 — from 50.6 hours in 1989 to 37.7 hours in 1993 and a

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[52] There has almost certainly been an increase in participation in in-house training for 55–59 year olds *and* 60–64 year olds when comparing 1997 with 1989 but, as we cannot decompose the 1989 figures for these two groups, the figure gives the impression that the position has slightly worsened for 60–64 year olds.

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further slight fall to 36.2 hours in 1997. Some strong qualifications must apply to these figures. The duration is the sum of time spent on no more than four in-house courses, four being the limit of courses (whether in-house or external) about which information was sought. Those who went on more than four in-house courses, or fewer than four in-house courses but more than four courses in total, will have a higher duration so that estimates of the average time spent will be underestimated.[53] In 1997, for example, 13.1 per cent of those doing training courses went on more than four training courses in total.

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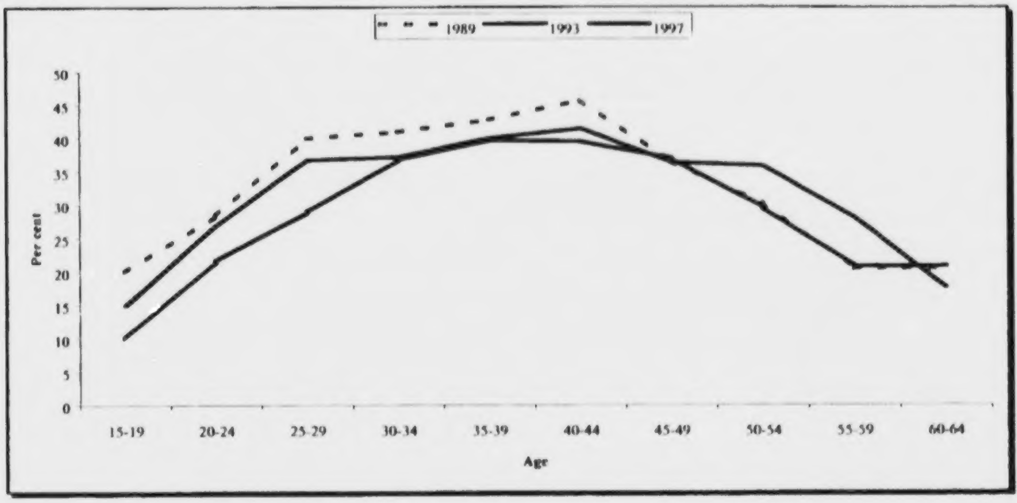
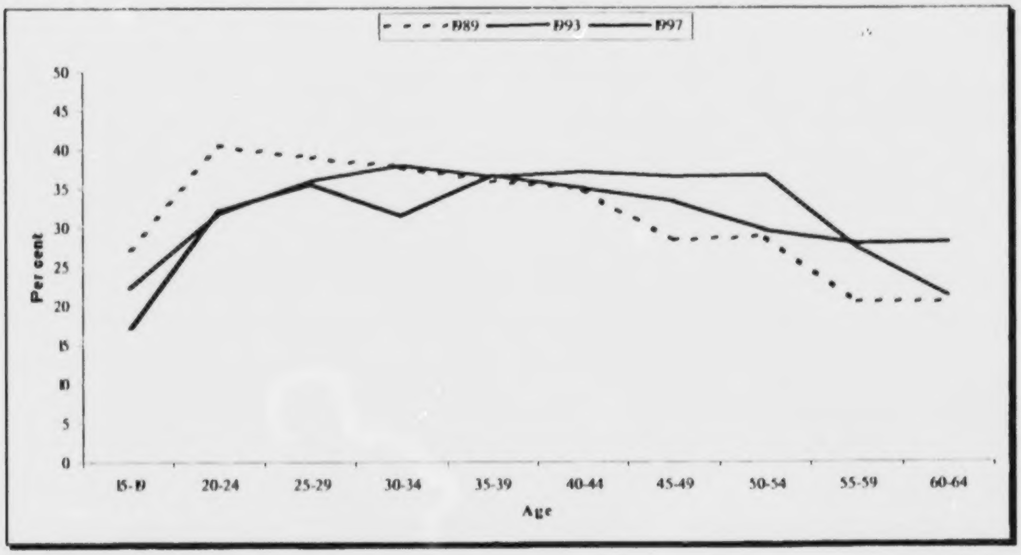
[53] Note that for consistency, anyone stating that they spent more than 1000 hours in the past year on (up to four) training courses has been treated as if they did 1000 hours exactly. This was because in 1997 the data on hours in excess of 1,000 was suppressed. This applied to just 11 people doing in-house training and has had little impact upon the results.

Figure 3.3 Participation in in-house training, by age and sex, 1989, 1993 and 1997 (% of persons with a wage or salary job in the last 12 months)

Males



Females



Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.
Note: In 1989 and 1993, those aged 55-59 years and those aged 60-64 years are grouped.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

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Workers of all ages experienced a fall in average training duration except for those aged 55-64 where it remained relatively constant (after having dipped in 1993). In 1997, average duration did not differ greatly by age, though the distribution of hours did, as can be seen from Table 3.19. However, it is only the youngest people (15-19 years) who differ substantially with over half having a small number of hours and a small proportion clearly completing many training hours to boost the average duration into line with the overall total.

Table 3.19 Time spent in in-house training, by age, 1997 (% of those undertaking in-house training)

Age group	1-9 hours	10-19 hours	20-39 hours	40 hours or more
15-19	52.7	16.9	16.6	13.8
20-24	38.6	18.9	21.5	21.0
25-34	29.4	21.1	24.5	25.0
35-44	27.2	21.4	25.6	25.7
45-54	29.2	24.8	23.3	22.7
55-64	28.3	20.8	27.9	23.0
Total	30.6	21.5	24.1	23.8

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students, who participated in some in-house training.
Source: ABS, Survey of Education and Training Experience 1997, unpublished data.

3.3.4 *External Training*

The other form of formal training that we consider is external training, that is to say training away from the workplace.[54] In Figure 3.4 we show how participation in external training varies by age, and how it has changed over time. As before, note that in 1989 and 1993, those aged 55-59 years and those aged 60-64 years are grouped together.

Unlike the situation with in-house training, there has been an unambiguous rise in the incidence of external training for people of *all* ages since 1989. Participation in external training rose slightly between 1989 and 1993 and again, this time substantially, between 1993 and 1997. While it rose for workers of all ages, it did so somewhat unevenly. Overall, participation doubled, but for older workers and those aged 20-24 years the proportion participating in external training more than doubled. Indeed, for 55-64 year old workers, participation tripled over the period. The consequence of this was that by 1997 the pattern of participation by age was somewhat flatter than it had been eight years previously. Only among the very youngest and the very oldest workers were participation levels appreciably below the average figure.

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[54] Note that while in-house training is, by definition, undertaken while at work, the figures for external training include some who participated in this form of training either while not at work or while not working as a wage and salary earner.

Table 3.20 Participation in external training,[a] by age, 1989, 1993 and 1997 (% of persons with a wage or salary job in last 12 months)

Age group	1989	1993	1997
15-19	5.6	5.7	9.3
20-24	8.0	9.4	19.4
25-34	11.9	13.0	21.4
35-44	12.0	14.5	23.9
45-54	9.3	12.2	20.6
55-64	4.7	7.7	14.2
Total	9.8	11.8	20.0
Probability of no difference	<0.001	<0.001	<0.001

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.

Note: a Includes attendance at external training courses by persons who were not a wage or salary earner at the time.

Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, *Training and Education Experience 1993* (cat. no. 6278.0), Table 1.1, p. 9.

The doubling in participation in external training has, broadly, been observed in courses that were both employer supported and not supported, the former rising from 6.4 to 12.2 per cent and the latter from 3.3 to 7.1 per cent. Little appears to have altered in the age profile over time. There is some evidence that those aged 45-54 years have had a relative increase in unsupported courses since 1989, though there is no evidence to support an argument that this has been to offset a relative decrease in participation in supported courses. Participation does appear to vary less by age for courses that were not employer supported, with the rate broadly constant from those aged 20-24 years through to those aged 45-54 years.

Table 3.21 Participation in external training, by age, and presence of employer support, 1989, 1993 and 1997 (% of persons with a wage or salary job in last 12 months)

	Employer supported	Not employer supported	Total[a]
1997			
15-19	3.6	4.1	9.3
20-24	9.8	7.5	19.4
25-34	13.1	7.3	21.4
35-44	15.1	7.7	23.9
45-54	12.9	7.9	20.6
55-64	8.3	4.0	14.2
Total	12.2	7.1	20.0
1993			
15-19	1.5	2.0	5.7
20-24	4.5	3.3	9.4
25-34	8.5	3.9	13.0
35-44	9.4	4.5	14.5
45-54	7.8	4.2	12.2
55-64	5.2	2.2	7.7
Total	7.3	3.8	11.8
1989			
15-19	2.8	1.9	5.6
20-24	5.0	2.6	8.0
25-34	7.8	4.0	11.9
35-44	8.0	4.1	12.0
45-54	6.5	3.0	9.3
55-64	3.1	1.5	4.7
Total	6.4	3.3	9.8

Note: a This differs from the summation of the two sub-groups as some persons did external training of both kinds, and some did external training while not working or not as wage or salary earners.

Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

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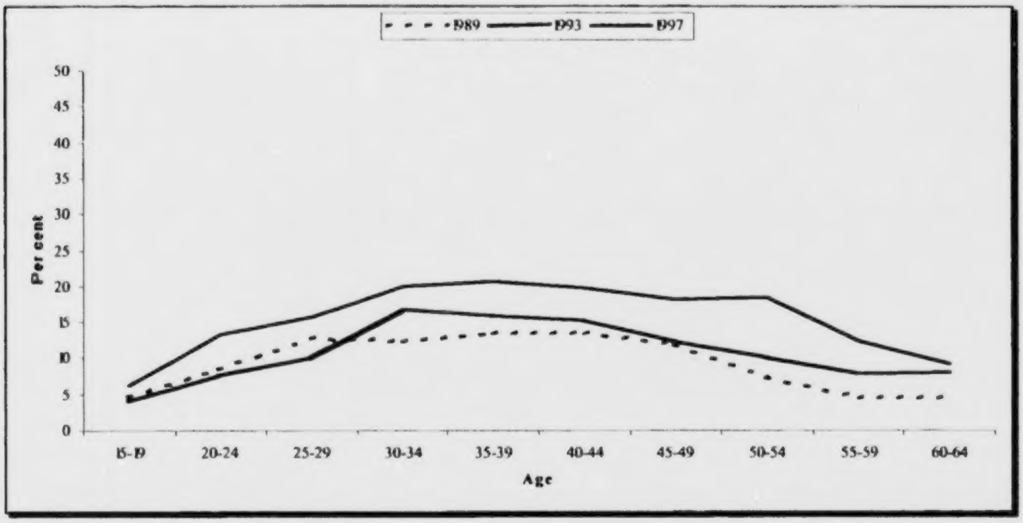
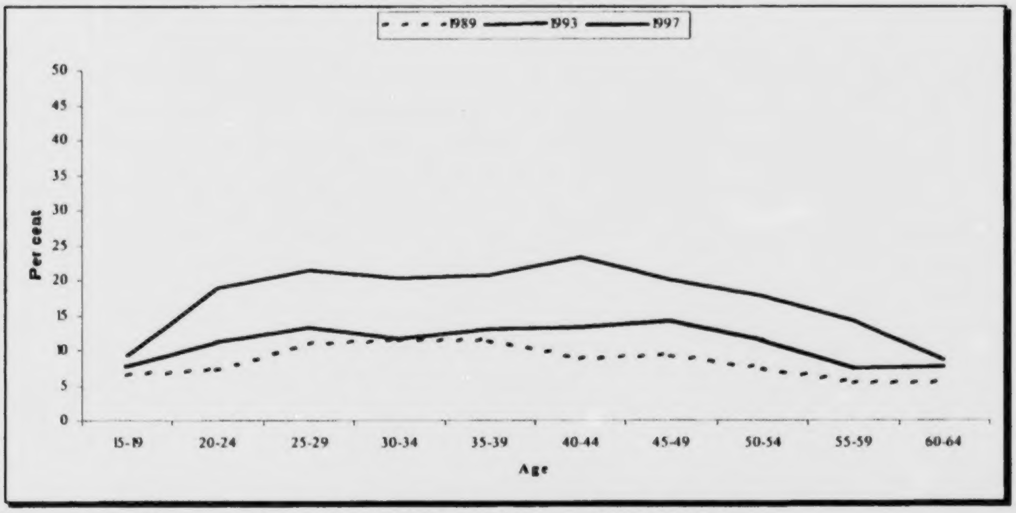
Figure 3.4 Participation in external training, by age and sex, 1989, 1993 and 1997 (% of persons with a wage or salary job in the last 12 months)

Males



Females



Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.

Note: In 1989 and 1993, those aged 55-59 years and those aged 60-64 years are grouped.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

In Table 3.22 we show how much time was spent on external training courses in 1997, including both how training hours are distributed and the average number of hours spent in training during the year. There is little to note, however, in the way of age differences in the *distribution* of hours spent on external courses. *Average* time spent in training, however, is noticeably higher among young people (under 25 years of age). Difference between mature-age and prime-age adult groups, however, are quite small.

3.3.5 Unstructured Training

The next area of training we examine is unstructured, or on-the-job, training. In Figure 3.5 we present estimates of the proportion of wage and salary earners who participated in this form of training. The rate of participation in on-the-job training is very high. This is hardly surprising, given the wording of the possible categories, which include 'watching others work' and 'asking questions of co-workers'. The scope for inclusion here is clearly broad and it is likely that the total doing on-the-job training is not higher still only by virtue of the preamble to the question which stated:

I now want to ask about any informal training activities which you may have done while working for an employer for wages or salary to improve work-related skills.

Unlike the other forms of training we have thus far considered, participation in on-the-job training diminishes consistently with age. Among teenagers, of either sex, around nine in ten undertook this form of training in all three of the years surveyed. For men this proportion falls for each age band, such that among the oldest workers, those aged 60-64 years, half (49 per cent) participated in 1997. The only difference with women is a slight plateau among those in their prime-age — where the level of participation is fairly constant from those aged 25-29 years through to those aged 40-44 years — after which it falls away.

In Table 3.23 more aggregated figures on participation in unstructured training over the three surveys are reported. The incidence of participation increased from 1989 to 1993, perhaps offsetting the fall in in-house training (see Table 3.17), and then fell back towards the 1989 levels in 1997. However, while the aggregate level of participation is roughly similar in 1989 and 1997, it is apparent that the relative participation of older workers in on-the-job training has improved. This is consistent with what we have observed about participation in in-house and, to a lesser extent, external training. The biggest relative gains have been made among the oldest workers (55-64 years) with rates of participation rising by 14 percentage points.

Table 3.22 Time spent in external training, by age and presence of employer support, 1997 (distribution of hours and average minutes)

Age	Total time spent (%)				Average time spent (hours)
	1-9 hours	10-19 hours	20-39 hours	40 hours or more	
Employer supported					
15-19	31.3	27.4	22.9	18.4	56.9
20-24	31.0	23.3	22.8	22.9	47.8
25-34	27.2	23.9	28.8	20.1	30.4
35-44	23.1	26.5	27.4	23.0	31.7
45-54	20.0	28.5	25.6	25.8	30.1
55-64	22.6	24.5	29.2	23.8	30.7
Total	24.8	25.6	27.0	22.6	33.3
Not employer supported					
15-19	22.2	20.9	30.9	26.0	79.2
20-24	27.0	24.2	14.3	34.5	62.7
25-34	34.9	25.9	19.0	20.2	47.3
35-44	35.1	23.3	19.2	22.3	43.3
45-54	35.3	24.7	19.3	20.7	32.3
55-64	31.7	30.5	22.3	15.5	20.9
Total	33.2	24.7	18.9	23.1	45.5
All external training					
15-19	21.7	17.8	22.0	38.4	126.1
20-24	24.2	21.3	19.2	35.2	78.2
25-34	26.4	24.4	24.5	24.7	47.1
35-44	22.8	24.1	24.9	28.3	46.6
45-54	18.9	24.0	25.8	31.3	46.9
55-64	24.5	23.8	25.3	26.5	40.9
Total	23.3	23.5	24.1	29.1	54.4

Base: Persons with a wage or salary job in last 12 months, and who had undertaken external training.
Source: ABS, Survey of Education and Training Experience 1997, unpublished data.

Those who participated in on-the-job training were asked to detail the nature of these training activities, and the results are reported in Table 3.24. Employees may have participated in more than one form of on-the-job training, and it is evident that many did. The likelihood of participation in multiple unstructured training activities decreases by age. Those aged 15-19 years nominated roughly three (of the five) activities on average, and this fell steadily down to an average of two activities nominated by those aged 55-64 years. The four *specified* activities were all selected (from a show card) by a high proportion of workers, and there are some interesting variations in the ranking by age. Among teenagers the most common activity is being shown how to do the job, while the least common is self-instruction. For older workers these rankings are reversed, with one in three being shown how to do a job while three in four are involved in self-instruction. Indeed, participation in the latter appears to be slightly positively associated with age. In other words, the scope for self-instruction is a positive function of experience.

Table 3.23Participation in unstructured training, by age, 1989, 1993 and 1997
(% of persons with a wage or salary job in last 12 months)

Age	1989	1993	1997
15-19	90.9	92.3	88.6
20-24	85.8	89.9	84.6
25-34	76.0	85.3	77.1
35-44	68.1	82.2	73.5
45-54	56.5	74.1	66.3
55-64	40.9	56.3	54.8
Total	71.8	81.8	74.4
Probability of no difference	<0.001	<0.001	<0.001

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Training and Education Experience 1993 (cat. no. 6278.0), Table 1.1, p. 9.

3.3.6 *Educational Study*

The final area of training examined is educational study. The survey explicitly distinguishes this from external training, in that educational study leads to an accredited educational qualification. To some, this might seem an artificial distinction, especially when the study is sub-divided into that which is being done for vocational purposes and that which is not — is a diploma in information technology being done for vocational purposes a form of external training or educational study? It is categorised into the latter only because it leads to a formal qualification. Table 3.25 shows, for each of the three surveys, the rates of participation in educational study.

Table 3.24Nature of unstructured training activities[a], by age, 1997 (% of persons with a wage or salary job in last 12 months)

Age	Asking questions of co-workers	Self-taught	Being shown how to do job	Watching others at work	Other activities
15-19	73.8	60.6	85.6	72.8	4.3
20-24	75.9	73.6	72.1	67.2	6.3
25-34	74.4	81.0	56.0	59.2	6.9
35-44	72.8	83.5	44.9	51.4	6.0
45-54	65.1	81.6	38.3	42.9	5.6
55-64	57.7	75.5	34.1	34.0	5.1
Total	71.8	78.7	53.9	55.5	6.1

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students, who participated in on-the-job training.

Note: a More than one response possible.

Source: ABS, Survey of Education and Training Experience 1997, unpublished data.

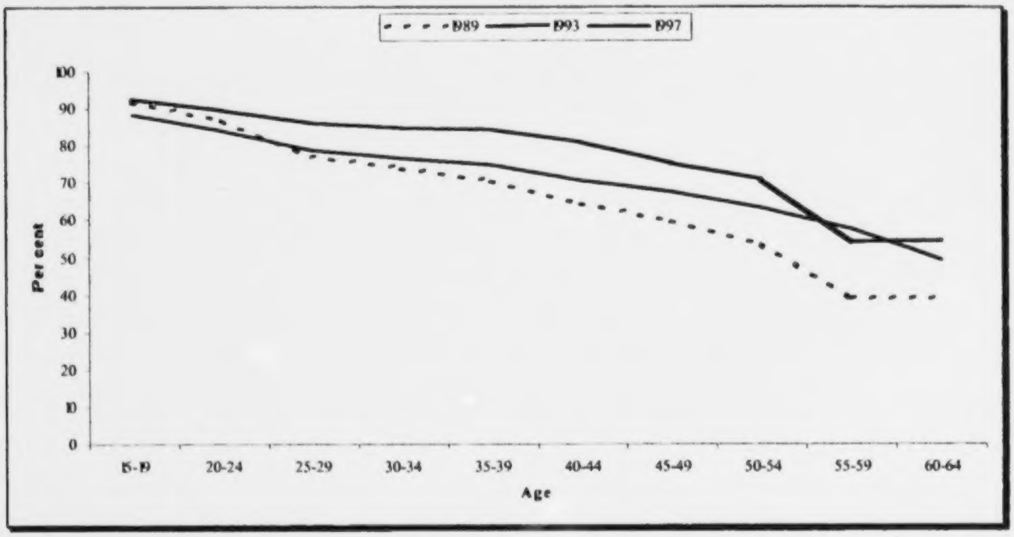
As reflected in this table, educational study is mostly the province of younger workers, with the rate of participation by age resembling an inverse exponential function. For 1997, the rate more or less halves from one age group to the next oldest.

The rate of participation in educational study has remained broadly constant across each of the three surveys, with some increase in the rate of participation among younger workers. Among teenagers, about two in five were involved in educational study in 1989 and this had risen to around one in two by 1997. For older workers, and indeed for anyone in the age groups of 25-34 or higher, the rate of participation in 1997 was almost identical to that in 1989.

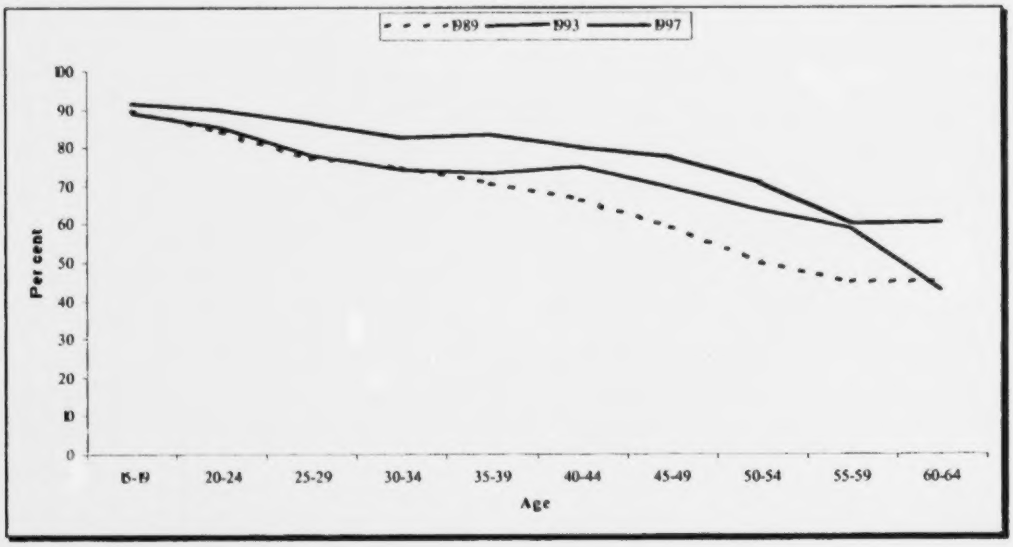
While participation rates have increased for young workers and remained broadly similar for prime-age and older workers, the share of that which is employer supported has diminished. In 1989, 39 per cent of those doing educational study obtained some employer support in doing so (i.e., 5.4 per cent as a percentage of 13.9 per cent), and this fell to 34 per cent in 1993 and then further to 24 per cent in 1997. This fall has been most evident for younger workers. Whereas in 1989 almost half (46 per cent) of those aged 15-19 years doing educational study received employer support, by 1997 this had more than halved to 18 per cent. Among prime-age and older workers employer support dropped only fractionally.

Figure 3.5 Participation in unstructured training, by age and sex, 1989, 1993 and 1997 (% of persons with a wage or salary job in the last 12 months)

Males



Females



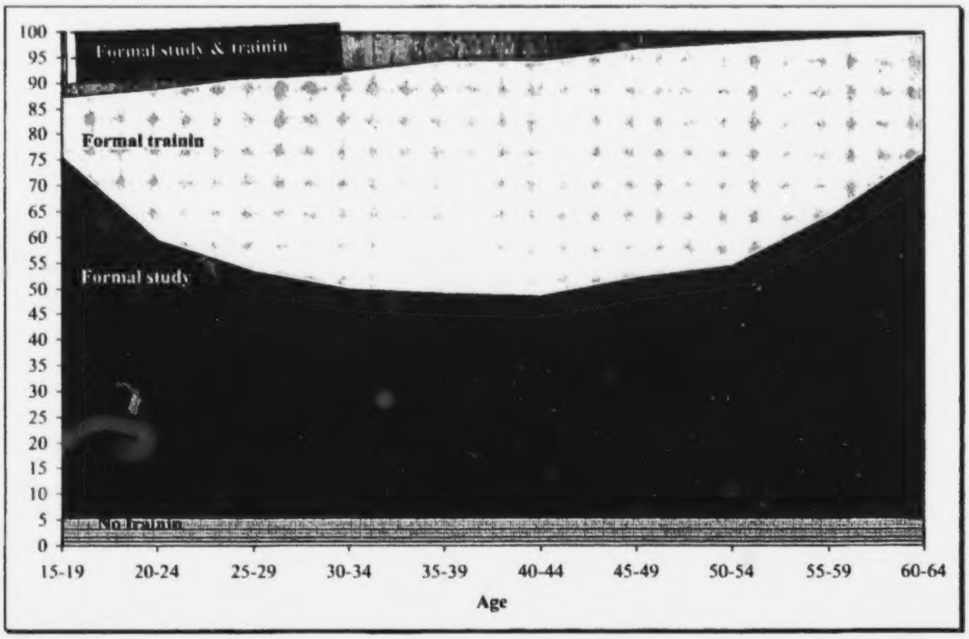
Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.
Note: In 1989 and 1993, those aged 55-59 years and those aged 60-64 years are grouped.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

3.3.7 *Summary of participation in training in 1997 by wage and salary earners*

Restricting our attention just to those who were wage and salary earners in the past twelve months (and excluding those who were still at secondary school), we are now in a position to summarise training participation in 1997. Four in five employees had participated in some form of training. Excluding on-the-job training however, a much lower proportion, just over half (51.9 per cent) had done some training — be that formal study for vocational purposes (13.6 per cent), in-house training courses (36.2 per cent) or external training courses (20.0 per cent). The latter two can be grouped together as constituting formal training, undertaken by 45.1 per cent of employees.

As we have by now well-established, older workers have the lowest rates of participation in training, irrespective of the form in which it is provided. To illustrate, the participation 'gap' between those aged 55-64 years and those aged 35-44 years is 13.8 percentage points for in-house training, 9.7 percentage points for external training, 18.7 percentage points for on-the-job training and 6.7 percentage points for educational study for vocational purposes.

Figure 3.6 Summary of participation in training, by age, 1997 (% of persons with a wage or salary job in the last 12 months)



A summary of this participation gap across different age groups is illustrated in Figure 3.6. All employees have been placed into one of five categories, as follows:

(i) **formal study and training** — those who had been undertaking educational study for vocational purposes *and* had taken part in either in-house training or external training

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(ii) **formal training** — those who had taken part in either in-house training or external training, but had not participated in educational study

(iii) **formal study** — those who had been undertaking educational study for vocational purposes, but had not undertaken any in-house or external training

(iv) **on-the-job training** — those who had not done any educational study for vocational purposes, nor any formal training, but had taken part in some unstructured training

(v) **no training** — all remaining employees.

If we examine the last of these first, the figure shows a constant rise in the proportion of workers not participating in any training from the youngest through to the oldest workers. Including those who took part in on-the-job training only, much the same conclusion is drawn — although, training participation at this level is relatively constant for prime-age adults, irrespective of their age. It is only when it comes to participation in formal training (i.e., categories (i) and (ii)) that there is a shift from an upward sloping line showing no participation to a U-shaped line showing participation rates to be the highest among prime-age workers.

3.3.8 Participation in training by non-wage and salary earners

At the outset of this chapter we examined differences in participation in any form of training for people of differing employment status. We then narrowed our focus to look just at those who had been wage and salary earners at some stage in the preceding twelve months. The scope of the 1997 survey, however, also includes the self-employed, the unemployed and those with a marginal attachment to the labour force. This allows us to explore in a little more detail the training opportunities available to non-wage and salary earners, and how these vary by age.

Table 3.25Participation in educational study (for vocational purposes), by age, and presence of employer support, 1997, 1993 and 1989 (% of persons with a wage or salary job in last 12 months)

	Employer supported	Not employer supported	Total[a]
1997			
15-19	8.5	38.0	47.5
20-24	4.9	23.1	28.0
25-34	4.0	8.6	12.6
35-44	2.6	5.8	8.4
45-54	1.4	3.1	4.5
55-64	0.5	1.2	1.7
Total	3.3	10.2	13.5
1993			
15-19	15.2	29.7	44.9
20-24	6.4	19.4	25.8
25-34	5.4	7.3	12.7
35-44	3.2	5.0	8.2
45-54	2.1	3.1	5.2
55-64	0.2	0.7	0.9
Total	4.7	9.0	13.7
1989			
15-19	18.8	21.9	40.7
20-24	8.1	16.1	24.2
25-34	5.0	7.4	12.4
35-44	2.9	5.4	8.3
45-54	1.3	2.1	3.4
55-64	0.3	1.6	1.9
Total	5.4	8.5	13.9

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.

Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, Survey of Training and Education 1993, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

At the time the survey was conducted, 67 per cent of those surveyed were identified as employees, and a further 7 per cent had been employees at some stage in the preceding twelve months. The remaining 26 per cent, therefore, were people who were not wage and salary earners at any stage in the year preceding the survey. Of these, 51 per cent were self-employed, 15 per cent were unemployed, 21 per cent were marginally attached to the labour force and 13 per cent were students.[55]

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[55] It is possible that the employment status of non-wage and salary earners varied throughout the year (e.g. unemployed to self-employed) but we have not taken this into account in this analysis.

Table 3.26 Participation in training among non-wage and salary earners, by employment status[a] and age, 1997

	Whether attended an external training course (%)	Whether any training was government sponsored (%)[b]	Duration of training courses attended (average hours)[b]
Sel -employed			
15-19	#	#	#
20-24	22.7	15.7*	64.7*
25-34	22.3	13.9	36.5
35-44	23.5	13.5	33.3
45-54	21.9	8.6	41.1
55-64	14.1	18.9	34.0
Total	21.1	12.6	37.4
Unemployed			
15-19	10.6	78.4*	216.2*
20-24	18.8	75.1*	213.9*
25-34	15.9	62.3*	176.9*
35-44	18.9	62.3*	220.6*
45-54	15.1	76.1*	281.1*
55-64	17.9	#	#
Total	15.6	70.5	218.9
Marginally attached			
15-19	0.4*	#	#
20-24	8.3	#	#
25-34	8.0	#	#
35-44	7.9	#	#
45-54	6.3	#	#
55-64	6.1	#	#
Total	5.8	36.0*	155.5*

Base: Persons who had not held a wage or salary job in last 12 months, excluding secondary school students.

Notes: a Employment status is defined as at the time of the survey.
b Of those who attended one or more training courses.
* Relative standard error greater than 25 per cent — estimate should be treated with caution.
# Too few observations to produce a reliable estimate.

Source: ABS, Survey of Education and Training Experience 1997, unpublished data.

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In Table 3.26 we present some basic information on training participation for these people (excluding students), and how this varies by age within each of the groups. About one in five of those who were self-employed attended an external training course, which is roughly equivalent to the proportion of employees who also attended a course. Only the older cohort of mature-age workers (i.e., 55-64 year olds) had a slightly lower incidence of participation (while there were too few self-employed among the 15-19 year olds to produce a reliable estimate). Relatively few of the self-employed attended any government sponsored training courses — those provided or arranged by the government or a government agency (e.g., CES, Skillshare centre) at no, or minimal, cost — just one in eight overall. This varied somewhat by age, though not in any systematic way. Finally, the average time spent by the self-employed on training courses amounted to 37.4 hours — a good deal lower than the employee average of 54.4 hours (see Table 3.22) — and this also did not vary greatly by age.

The unemployed provide a contrasting aggregate picture. Fewer of the unemployed participated in training than either the self-employed or employees. Where they did so, however, it was mostly government-sponsored training. It also absorbed a good deal of time — the average duration of 218.9 hours was more than four times that experienced by employees — which presumably reflects several factors including the ready availability of unemployed people and a concern by government to develop employable skills, which includes the high level of government provision of training courses. In common with the self-employed, however, there were no clearly discernible age patterns. That is, among persons who are continuously unemployed, older persons are not at a training disadvantage. All unemployed people are equally likely to have a very low probability of participating in some form of work-related training.

Finally, among those who were marginally attached to the labour force, training participation rates were again low across all age categories.[56]

3.3.9 *Changes in training participation, 1989 to 1997*

Throughout this chapter it has been noted that the participation of older workers in training appears to have improved relative to their younger counterparts since 1989. Where has this relative increase been most evident? Table 3.27 shows the increase in the participation rate of mature-age compared with prime-age workers for each of the main forms of training against several personal and job characteristics. For example, among prime-age males participation in in-house training fell by 3.5 percentage points from 1989 to 1997, compared with an increase of 3.7 percentage points for mature-age male workers. It still remained the case in 1997 that more prime-age males participated in in-house training than mature-age males, but the participation gap had narrowed considerably since 1989 (i.e., by 7.2 percentage points).

There is some unevenness in the areas where relative improvements have occurred. For in-house training, participation rates fell for most categories of prime-age workers, but rose for all categories of mature-age workers. The largest relative gains were made in the public sector where the participation gap between prime-age and mature-age workers narrowed by 10.1 percentage points. For external training the picture is much less clear-cut. Participation rates increased for all categories of both prime-age and mature-age workers. In a couple of categories the participation gap widened (e.g., females and part-time workers), while in most others the gains made by older workers were narrow. Finally with unstructured training, participation rates increased for both prime-age and mature-age workers, and in all categories the gain was greater among the mature-age workers, thus leading to a narrowing in the participation gap.

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[56] There were too few participants to examine age variations in either government sponsorship of training or the duration of training.

3.3.10 Conclusion

This section has reviewed participation in many different forms of training, drawing on three largest nationally representative surveys of training and education conducted by the ABS since 1989. With respect to older workers, there are two consistent findings that have emerged.

i. Older workers have lower participation rates than prime-age adults, in all categories of training, and the lowest rates of all are among those who are near conventional retirement age (i.e., 60-64 years).

ii. The participation of older workers has improved relative to prime-age adults since 1989, though a participation gap, sometimes of considerable size, remains.

3.4 Participation in Training — Multivariate Analysis: Evidence from the 1997 SETE

The previous section clearly established that older workers participate less in training than the generation following in their wake, though the participation 'gap' was not as substantial in 1997 compared with 1989. Moreover, while the 45-54 years age band appeared to constitute the turning point at which participation in formal training eased off, it did so only gradually and it was not until later years that it dropped off substantially.

Table 3.27 Change in training participation, by select personal and job characteristics, 1989-1997 (% point increase in participation)

	In-house training		External training		Unstructured training	
	Prime-age	Mature-age	Prime-age	Mature-age	Prime-age	Mature-age
Males	-3.5	3.7	5.9	8.3	3.4	11.8
Females	-0.1	7.7	10.7	9.9	2.6	11.3
Post-school	-4.9	0.3	8.5	10.4	2.0	11.0
No post-school	0.5	8.8	6.8	5.7	3.2	9.7
Full-time	-1.9	5.1	8.4	9.9	3.5	12.8
Part-time	1.8	8.7	8.7	7.0	2.9	9.9
Private sector	-1.3	3.4	8.6	9.1	2.0	11.7
Public sector	2.8	12.9	7.7	9.3	7.5	13.8
All employees	-2.0	5.4	8.2	9.0	3.0	11.7

Base: Persons with a wage or salary job in last 12 months, excluding secondary school students.
Sources: ABS, Survey of Education and Training Experience 1997, unpublished data.
ABS, How Workers Get Their Training Survey 1989, unpublished data.

The literature review covered a variety of theories as to why older workers might participate less in training, but first we must establish whether (and by how much) the difference in participation rates is a virtue of age, and the significance of other inter-related factors. For example, we showed earlier that (excluding students) rates of part-time working were positively associated with age (Table 3.9), yet it has also been established that part-time workers are less likely to participate in training. Once we take account of part-time working, and other factors, how much of an age effect remains? That is the main purpose of this chapter: to subject the 1997 Survey of Education and Training Experience to multivariate analysis in order to quantify the distinct age effect.

The second purpose is to identify whether there are distinct cohort explanatory factors that help to predict participation in training for older workers, when compared with prime-age adults and younger workers. For example, we showed earlier that the proportion of workers aged 55-64 who did not complete the highest level of secondary school was substantially higher than among those aged 25-34 years (Table 3.3). If the level of educational attainment is an explanatory factor in predicting participation in training, one might expect that the scale of its impact could vary across cohorts given differential rates of attainment by age. If, for example, there is a large positive education effect for older workers but a less muted one for prime-age adults, it may be that differences in training participation by age would reduce over time as the present generation of prime-age adults become older workers. Prima facie evidence for such a development is the relative increase in training participation rates for older workers in the past eight years.

3.4.1 Determinants of Participation in Training

As discussed extensively earlier in this chapter, under the broad rubric of training there are many different forms — formal and informal, external and in-house, employer supported or not, for vocational purposes or merely for edification. There is no single measure of training, and nor would we want there to be, for the factors which help to explain participation in one form of training may not be helpful in explaining another.

Consistent with the descriptive analysis, we focus on participation in the three main forms of training: formal (external and/or in-house training), unstructured and educational study for vocational purposes. We then take a slightly more nuanced look at formal training to identify whether or not employer provision or support appears to attenuate any age effect.

The range of potential explanatory factors that can be included in the regressions is constrained by what was collected in the survey. Thus, as a household survey it is wide-ranging in socio-demographic characteristics, but relatively sparse on employer characteristics — the section to follow remedies this through an analysis that matches data from a recent survey of managers with a survey of employees in the same workplaces.

Most previous research on the decision to undertake training makes reference to human capital theory, which in its essence boils down to a cost-benefit analysis undertaken by an individual agent to undertake training if the long-term benefits are likely to exceed the costs. The theory works demonstrably well when it comes to education, but is likely to be a less adequate description of the decision-making process when it comes to vocational training where the decision will often be taken either jointly between the individual and their employer, or unilaterally by the employer, rather than solely lying with the individual. At any rate, without knowing information on the cost of training (including any foregone earnings) and anticipated benefits, we cannot explicitly model the decision-making process.

The best that can be done is to say whether the results are consistent with predictions about the likely costs and stream of benefits for different classes of workers. For older workers, the prediction would be that, relative to prime-age workers, the future stream of benefits might be lower as there is less working time in which to realise them, but the costs are broadly similar. At the margin, therefore, some older workers will not participate in training and, all other things being constant, participation rates will be lower especially nearing conventional retirement age. It follows then that with a large sample of workers with wide-ranging socio-demographic characteristics, the optimal approach is to include as many potential 'control' variables as possible so as to isolate an age effect. The variables included, besides age, are individual characteristics (e.g., gender, birthplace, marital status, dependent children, facility with English language), job characteristics (e.g., tenure, experience, union membership, working hours, employment status, occupation) and employer characteristics (e.g., firm size, sector, industry).

The estimation method used is logit regression, part of the class of maximum likelihood estimators that are used when dependent variables are categorical, as is the case with these data. The estimated coefficients are the log odds values, the inverse log of which is the predicted odds ratio. Attachment 3A contains the details of the logit regressions deployed, reporting the predicted odds ratios and indicating the level of statistical significance (if any). Generally, the equations have modest to good explanatory power, with high predictive values that are well above what would have been generated randomly.

As an example of how to interpret the odds ratios, consider the age effects reported in column 1 of Table 3.A1 (in Attachment 3A). The effect of age is represented by a series of categorical variables. The age group 30-34 years is established as the reference group, hence its odds ratio is set at one. The regression results then provide estimates of how the likelihood of participating in training for the other age groups varies relative to the reference group, all other things held constant. Thus the youngest group — 15 to 20 year olds — have an estimated odds ratio of 0.71 indicating that the likelihood of a teenager participating in formal training is almost three in four times that of an otherwise comparable worker aged 30-34 years. At the other end of the spectrum, the predicted odds ratio for the oldest workers is only 0.35 — the likelihood of a worker aged 60-64 years participating in external training is about one third that of an otherwise comparable worker aged 30-34 years.

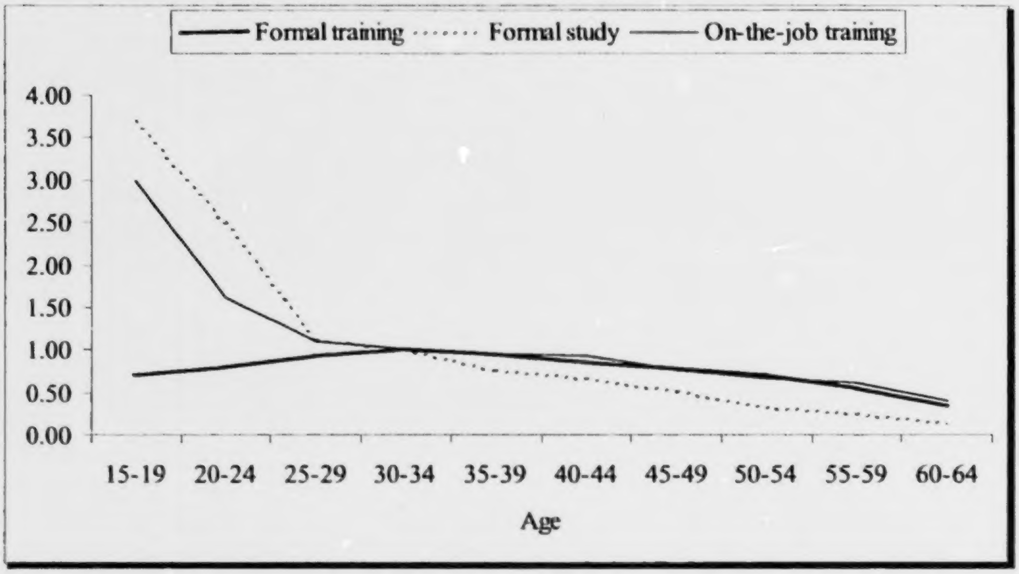
The age effect for the three different forms of training we examine are illustrated in Figure 3.7. Bearing out the descriptive analysis presented in the last chapter, the odds of participating in formal training are much more even by age than the odds of participating in on-the-job training or educational study. Participation peaks for the reference group — those aged 30-34 years — and while the estimated odds are somewhat lower than one for those who fall into the age groups either side, these differences are not statistically significant. The chances of someone aged 40-44 years participating in formal training relative to an otherwise comparable worker aged 30-34 years is about seven in eight; for someone aged 45-49 years it is about three in four; for someone aged 50-54 years it is about seven in ten; for someone aged 55-59 years it is about one in two; and, for someone aged 60-64 years it is about one in three. All of these differences are statistically significant.

The pattern of participation in on-the-job training is very different, though only for younger workers. The chances of a teenager participating in this form of training is three times that of those aged 30-34 years, and thereafter the odds become a lot more even such that there is no statistical difference in the estimated odds from those aged 25 through to 44 years. Workers older than this are less likely to participate in on-the-job training than those in the reference group, with the relative chances closely matching the odds of participation in formal training.

Finally, the chances of participating in educational study for vocational purposes diminish sharply by age. Teenagers are almost four times as likely to undertake this form of training than comparable workers aged 30-34 years. In contrast, the odds for someone aged 45-49 years and someone aged 60-64 years are one in two and one in eight, respectively, to an otherwise comparable worker aged 30-34 years.

Before turning to a more detailed discussion of formal training, it is worth discussing briefly whether any of the relevant control factors impact differently on participation in the various types of training. For each form of training we find that the higher the educational qualification held, the more likely is the person to participate. The odds are especially dramatic when it comes to participation in educational study for vocational purposes. A worker with a postgraduate qualification was over eight times more likely to do further educational study than a comparable worker who left school before they turned 16 years old.[57] Even when it comes to formal training, however, those with a degree or better are twice as likely to have undertaken this form of training.

Figure 3.7 Estimated odds of participation in main forms of training by age, 1997



Generally, those who are new to a job are more likely to take part in training so as to induct them into the workplace, and bring their skills up to a par with that of their co-workers. This is borne out in these results. However, there is no consistent relationship with participation in the different forms of training beyond the first year of tenure (which we know to be associated with age). For formal training, participation is most likely among those with less than one year's service. Thereafter, the odds of participating are lower but are less so for those with longer tenure. For example, the chances that someone with one to two year's service will take part in formal training compared with those with less than one year's service is about three in five, whereas for those with ten or more year's service it rises to three in four. This situation is reversed for on-the-job training where the longer the tenure, the lower the chances of participating. For educational study, the estimated odds of participating do not differ significantly by tenure.

When it comes to participation in formal training, we have seen that older workers have a more even chance of participating when compared with younger workers than for other forms of training, such as participation in educational study. This can be readily understood in terms of a cost-benefit framework — the costs involved in formal training, including the time, would generally be lower and the benefits, especially to the employer, may be more immediate. Whether the decision to participate in formal training is arrived at jointly, by the individual, or by their employer is something we do not observe. One way of inferring it is to look at differences in the determinants of participation in formal training that is employer supported (where it is reasonable to assume the decision is entered into jointly) and that which is not supported (where the assumption would be that the individual took the decision themselves). If the odds of participation for older workers differ between these two sub-groups of formal training, it might help us deduce whether the generally lower odds of older workers participating in training can be attributed to their own decisions or to 'discrimination' on the part of their employers.

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[57] This is partly explained by the fact that someone who left school before they turned 16 years of age may face considerable barriers to enrolling in post-schooling educational courses.

Figure 3.8 shows the estimated odds of participation in in-house training courses and in external training courses (supported and not supported) by age. The interpretation of this is not clear-cut. In-house training which is, by definition, employer supported peaks among those aged 25 through to 39 years, and thereafter the likelihood of participating in it is lower. Participation in external training which is not employer supported, on the other hand, appears to be most likely for those aged 45-49 years, a later peak than for any other kind of formal training. This might suggest that individual older workers are more likely to back themselves in doing formal training than their employers. However, it is not possible to identify statistically significant differences for participating in unsupported external training courses except for teenagers and workers aged 55 years or more among whom the odds of participating are lower. This is partly because the regression analysis has weak explanatory power and is not good at predicting participation — which accounts for the somewhat erratic pattern in the figure.[58] Participation in external training courses which are employer supported is most likely among those aged 40-44 years, and the odds that someone aged 50-54 years will do this form of training is no different to an otherwise comparable worker in the reference group (30-34 years). Only among the very oldest workers, those aged 60-64 years where the odds of participation are almost half, is there a marked and statistically significant difference. In the absence of any supporting evidence, we cannot infer any discriminatory behaviour on the part of employers. We would attribute the generally lower participation in formal training of the oldest workers (those aged 55 years or more) — whether employer supported or not — to rational decision-making by both parties about likely costs and benefits. We revisit this issue later in the chapter.

3.4.2 Determinants of Participation in Formal Training across Cohorts

In the second phase of the multivariate analysis we divided the sample into different age cohorts to explore whether any of the determinants of training identified in the overall regressions vary across age groups. This is potentially of large importance. There is considerable heterogeneity not only across different age cohorts, but also within them. Sound policy thus requires knowledge about how the training experience varies between different segments within the cohort of older workers.

We limit our attention to participation in formal training only. Given the focus here is on older workers and identifying the stage at which age appears to matter, we examine three age cohorts only — those aged 25-44 years, those aged 45-54 years, and those aged 55-64 years.

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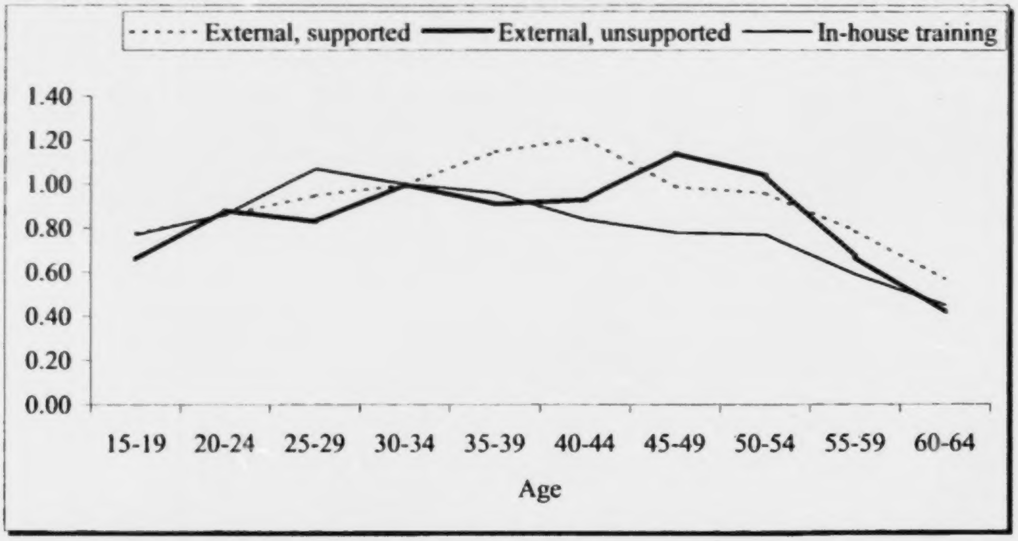
[58] The Cragg-Uhler pseudo R-squared is 0.103 and while the prediction success is high at 92.8 per cent this is mostly because the incidence of unsupported external training is very low. The reduction in prediction error is 46.2 per cent.

The regressions use an identical specification to that reported above. The results of the regressions are reported in Attachment 3.A (Table 3.A2), with the estimated odds and their level of significance reported. Because the overall sample has been divided, the standard errors attached to the coefficients will be higher, so the consequent level of statistical significance attached to the estimates will be lower.

Perhaps surprisingly, the main conclusion to be drawn from these regression results is that the determinants of participation in formal training do not appear to differ greatly by age. That is, the same sorts of variables that influence the likelihood of a prime-age adult receiving formal training are very similar to the variables that influence training participation by older workers. That said, the scale of association does vary quite markedly across age groups.

Before examining some of the control variables we briefly comment on the age effect *within* cohorts. Among 25-44 year olds we find that participation in formal training is less likely for 40-44 year olds (compared with the reference group of 30-34 year olds) — their chance of participating, holding all other things constant, is about seven in eight times that of the younger group within this cohort. This is consistent with the findings reported above. Within the cohort of 45-54 year olds we identify no age difference between 45-49 year olds and 50-54 year olds. However, in the oldest cohort, those aged 60-64 years have only a three in five chance of participating in formal training when compared with an otherwise identical worker aged 55-59 years.

Figure 3.8 Estimated odds of formal training participation by age, 1997



Turning now to the determinants and looking first at individual characteristics, the most important factor is again educational attainment. The positive association between participation in formal training and higher qualifications found for the total sample is replicated within each of the three age cohorts, but the scale of the association is notably different. In particular, the fact that the size of the coefficients associated with university qualifications rises with age indicates that the disparity in training rates between prime-age and mature-adult workers falls with educational attainment. This is confirmed by the predicted probabilities of participation in formal training reported in Table 3.28. Note, however, that it still remains the case that irrespective of educational attainment, older workers are still far less likely to receive formal training. Nevertheless, given older workers will have benefited from training investments in the past, it would be unreasonable to expect parity.

Other individual characteristics were generally of the same sign and scale within cohorts as they were in the overall sample. For example, those who were overseas born from a non-English speaking country and those who had English language difficulties had lower rates of participation in each age cohort.

Among the set of job characteristics, the same conclusion can be drawn of broad consistency in the factors that determine participation in formal training. In each cohort, for instance, there is a monotonic positive association between usual weekly working hours and participation in formal training. The scale of this association is of the same order within each cohort. Those working the fewest hours each week (less than ten) have between a one in three to a one in two chance of participating in formal training than an otherwise identical worker doing 30 to 40 hours per week, irrespective of their age. Similarly, within each age cohort, it is 'blue collar' workers who have the lowest probability of participating in formal training when compared with managers.[59]

One indicator, however, that is not consistent across age cohorts is union membership. The chances that a union member will participate in formal training is about one third greater than non-members for workers aged 25-44 years and those aged 45-54 years, but for the oldest workers the odds are even. Thus in Table 3.28 we can see that union membership has the effect of raising the probability of receiving training among younger adults but not among the oldest cohort of workers.

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[59] Blue collar workers are those employed as: tradespersons and related workers; intermediate production and transport workers; and labourers and related workers.

Table 3.28Predicted probabilities of participating in formal training by selected age group and other characteristics

Characteristic	30-34 years	45-50 years	55-59 years
Educational attainment			
Postgraduate degree / diploma	0.57	0.56	0.46
Undergraduate degree / diploma	0.57	0.53	0.45
Vocational qualification	0.51	0.49	0.28
Associate diploma / adv. certificate	0.50	0.62	0.39
Completed secondary school	0.53	0.44	0.24
Left school at 16-18 years	0.44	0.45	0.28
Left school before 16 years	0.44	0.36	0.25
Country of birth/background			
Australia, non-English speaking	0.47	0.36	0.01
Australia, English speaking	0.53	0.49	0.35
Overseas, non-English speaking	0.39	0.37	0.22
Overseas, English speaking	0.52	0.48	0.24
Weekly hours of work			
Less than 10	0.30	0.30	0.15
10 to 29	0.47	0.47	0.29
30 to 40	0.51	0.46	0.41
41 to 48	0.57	0.50	0.41
49 or more	0.59	0.52	0.32
Union membership			
Member	0.56	0.51	0.30
Non member	0.49	0.44	0.31

Characteristic	30-34 years	45-50 years	55-59 years
Occupation			
Managers	0.62	0.48	0.48
Professionals	0.64	0.62	0.36
Associate professionals	0.58	0.52	0.36
Tradespersons	0.49	0.52	0.36
Advanced clerical & service workers	0.56	0.42	0.31
Intermediate clerical, sales & service	0.52	0.51	0.29
Intermediate production & transport	0.37	0.35	0.22
Elementary clerical, sales & service	0.43	0.40	0.32
Labourers & related workers	0.33	0.31	0.24
Firm size			
Less than 10 employees	0.34	0.33	0.13
10 to 19 employees	0.37	0.30	0.27
20 to 99 employees	0.49	0.42	0.33
100 or more employees	0.58	0.53	0.37
Sector			
Private	0.50	0.46	0.26
Public	0.54	0.48	0.42

Note: Probabilities are calculated from same coefficients used to produce the predicted odds ratios reported in Attachment Table 3.A2, but using mean values for all other variables other than age and the characteristic at the centre of the computation.

Finally, we turn to the set of employer characteristics. It was found in the total sample that there was a positive association between firm size and participation in formal training. This remains true for all three age groups but again there is no evidence to suggest that this effect alters as workers age. There is, however, a marked difference in training probabilities for workers from different age groups when distinguishing between private and public sector firms. In the wider sample, workers in the public sector have a likelihood of participating in formal training that is about one-fifth greater than comparable workers in the private sector. This public sector training effect, however, appears to be much larger among workers in the 55-64 year age group. Indeed, among workers aged 30-34 years the predicted probability of public sector employees participating in formal training courses is only 4 percentage points greater than comparable private sector employees. Among workers aged 55 to 59 years the differential is 16 percentage points. Such findings suggest that if older workers are at a disadvantage in terms of accessing training, the problem may well be confined to private sector employers.

3.4.3 Conclusion

This section, using multivariate analysis, has shown that the odds of participating in training, be it formal training, educational study, or on-the-job training, are lower for mature-age workers than otherwise identical prime-age workers when controlling for a range of personal and job-related characteristics.

One of the factors that we must consider is the extent to which the characteristics of older workers differ from prime-age workers, and how much this affects overall training participation. For example, it may be that it is the characteristics of older workers, such as their lower levels of educational attainment, rather than age per se, that explains their lesser exposure to training. A guide to the relative importance of these 'composition effects' as compared with 'age effects' is provided by decomposing the age-based training differential into that which due to differences in observed worker characteristics and that which is not — in which case this may be due to differences in the treatment of workers of different ages or unobserved characteristics.

Using the regression results discussed in the previous section, we compare the estimated probabilities of participation in formal training for 25-44 year olds compared with 55-64 year olds. The 'average' prime-age worker is estimated to have a probability of participating in formal training of 49.7 per cent, almost double the estimated probability of participation of 27.5 per cent for the 'average' mature-age worker. If the characteristics of the average 55-64 year old were identical to that of the average 25-44 year old, the estimated probability of participating in formal training rises to 37.0 per cent. That is, about two-fifths of the difference in the estimated probabilities is due to differences in observable personal and job-related characteristics. The remaining three-fifths arises from either characteristics that we have failed to take into account (or were not included in the survey), or due to differential 'treatment' of this cohort of older workers compared with their prime-age counterparts. In summary, it is apparent that older workers had demonstrably less chance of participation in formal training, and this has more to do with differential treatment, or unobservable characteristics, than it has with differences in their observable personal and job-related characteristics.

Finally, some consideration was also given to how within the older worker cohort, different workers fared differently in terms of accessing training. Perhaps surprisingly, age was not found to interact significantly with many other variables in influencing training outcomes. That is, for most worker characteristics older workers fared worst. Nevertheless, this differential was found to be markedly smaller in public sector organisations and among workers with university qualifications.

3.5 Participation in, and Satisfaction with, Job-Related Training: Evidence from the AWIRS

Data on the participation of employees in job-related training are also provided in the 1995 Australian Workplace Industrial Relations Survey (AWIRS). While only providing a relatively crude measure of training, the AWIRS possesses the advantage that it provides an extensive amount of information about not only individual workers, but also the firms those employees work for. As noted above, the only firm characteristics collected during the 1997 Survey of Education and Training Experience were employment size, sector and industry. The ability to match worker characteristics to firm characteristics is potentially of large importance if the lower likelihood of older workers participating in training is a function of the attitudes and policies of employers. The AWIRS also possesses one further advantage over the SETE data — it provides a measure, albeit again a crude one, of worker satisfaction with the training received. These data thus provide a simple test of the hypothesis that older workers are not only less likely to participate in training, but the type of training they are provided is likely to be less suited to their needs.

3.5.1 The AWIRS Data: An Overview

Described in more detail in Morehead et al. (1997), the 1995 AWIRS was the second large-scale workplace survey conducted by the Australian federal government for the purpose of providing 'a comprehensive and statistically reliable database on workplace relations in Australia' (Morehead et al. 1997, p. 1). The first had previously been conducted in 1989/90. The AWIRS involved a suite of structured questionnaires administered to managers, union delegates and employees, at representative samples of Australian workplaces. The samples for the survey were randomly selected from the business register of the ABS, after stratification by location, size and industry, and hence should be reasonably representative of the population of workplaces in Australia. The survey covered all industry sectors with the exception of agriculture, forestry and fishing and defence. The scope of the survey was restricted to workplaces with at least five employees, though in this research, workplaces with 5 to 19 employees are ignored since no data were collected from employees at these small workplaces.

At each of these workplaces with 20 or more employees, face-to-face interviews using structured questionnaires were conducted with the most senior manager at the workplace, the manager most responsible for employee relations (which in many cases was the senior workplace manager) and, where appropriate, the senior delegate of the union with most members represented at the workplace. In addition, management were asked to arrange for the completion of a form (the Workplace Characteristics Questionnaire, or WCQ) seeking numerical data on, for example, the level and composition of employment. Finally, self-administered questionnaires were distributed to random samples of employees at all of the workplaces where the senior manager agreed to employee involvement. This latter questionnaire sought information on the usual array of individual and job characteristics (including worker age), and included items measuring participation in, and satisfaction with, employer-provided training.

The sample of large workplaces was drawn with the aim of achieving completed interviews with management at 2000 workplaces. This was achieved from 2547 contacts, giving a response rate of 79 per cent. Further non-response was associated with the administration of the WCQ. While this form was mailed to workplaces prior to interview, many survey participants had, at the time of the interviewer's arrival, yet to complete the WCQ. Managers at these workplaces were thus requested to return the form by mail, giving rise to opportunities for non-response. In total, 1836 of these forms were returned, representing 92 per cent of workplaces where interviews were conducted.

Permission to survey employees was granted at 1896 of the participating workplaces, or 95 per cent of the total large workplace sample. Employees to be surveyed were randomly selected by the interviewers from a list, supplied by management, of all persons working at the workplace. Completed questionnaires were either collected by the interviewer about a week after distribution or returned directly by mail. A total of 30,005 questionnaires were distributed, with 19,155 returned in a form suitable for analysis.

An important feature of the AWIRS employee sample is that its composition is broadly in line with population estimates. Morehead et al. (1997, pp. 58-59), for example, have presented evidence indicating that the distribution of the weighted AWIRS employee respondent sample according to sex, age, birthplace, hours of work, occupation, sector and industry, is very close to what would be expected if the sample were representative of the wider employee workforce. That said, it appears that union members are over-represented in the AWIRS sample while casual employees were under-represented.

The measure of training participation used in the analysis to follow is based on responses to a question asked of employees.[60] Specifically, employees where asked to indicate whether their employer had provided them with any training intended to help them in their job during the previous 12 months.[61] This provides no guide to the extent or value of the training received, nor does it discriminate between different types of work-related training. Indeed, a weakness of the variable is that it is not entirely clear what types of training are covered. However, we suspect that the variable covers all types of structured formal training that have been sanctioned or supported by the employer. In addition, it almost certainly includes some types of unstructured training so long as that training can be

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[60] At each workplace, the employee relations manager was also asked to indicate whether, in the last year, any 'formal program of instruction for employees ... designed to develop their job skills' had been provided to employees. A further question identified which occupational groups had participated in these training programs. Responses to these questions are not, however, incorporated into the analysis reported on here.

[61] Respondents were specifically requested to indicate any training provided or paid for by their employer, including training that might have taken place away from the workplace. This question thus provides a simple dichotomous (that is, yes/no) measure of training participation. Options of 'not relevant to me' and 'don't know' were also provided. Persons indicating the former were assumed not to have received training, while persons indicating the latter were treated as missing cases.

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construed as having been provided by the employer. An obvious example here is where, at the behest of the firm, supervisors and or co-workers are instructed to show employees how to perform tasks. Other unstructured types of job-related training such as watching others is unlikely to be covered given respondents would, in most cases, not interpret this as having been provided by the employer.

The question used to measure worker satisfaction with training is also blunt. Workers were simply asked to indicate whether they were satisfied with the job-related training they received at the workplace. The response options were 'satisfied', 'neither satisfied nor dissatisfied' and 'dissatisfied'. In addition, survey participants could also respond that the question was not relevant. This, for example, might be the response provided by those that have not received any training at all.

Table 3.29Incidence of job-related training by age and sex, 1995 AWIRS (% of employees who were provided training by their employer to help them do their job during previous 12 months)

Age group	Males	Females	Persons
15-20	72.9	68.4	70.5
21-24	67.1	66.9	67.0
25-29	64.2	64.3	64.3
30-34	59.5	63.8	61.4
35-39	59.0	62.2	60.2
40-44	59.6	60.4	59.9
45-49	62.6	62.8	62.7
50-54	58.5	57.9	58.1
55 or ove	43.8	49.3	45.5
Probability of no difference	<0.001	<0.001	<0.001
Total	60.4	62.6	61.3

Note: Persons who responded 'not relevant to me' are assumed not to have received training.
Source: 1995 AWIRS employee survey.

3.5.2 *Participation in Job-related Training*

Table 3.29 summarises the data, weighted to the population (of employees in workplaces employing 20 or more employees), on participation in job-related training from the AWIRS cross-tabulated by age and sex. The first point to note is that the overall incidence of training measured by this survey is below that measured in the various ABS surveys covered in the last two sections. This is not unexpected and most likely reflects the lesser importance of unstructured training in the AWIRS measure. The second result of interest is that the incidence of training is, as expected, notably lower among the oldest cohort of workers — those aged 55 years or over — compared with other younger cohorts. However, it is only this oldest cohort that appears to be at a disadvantage in terms of access to training. That is, the rates of training participation for workers between the ages of 45 and 54 years are little different to those of younger adult cohorts. Third, the data presented in Table 3.29 suggest that among workers aged 55 or over, it is males who appear to be at the greatest training disadvantage.

Multivariate analysis: Method

As with the earlier analysis of the 1997 SETE data, we next subjected these data to empirical analysis within a multivariate framework.[62] The analysis proceeded in three stages. First, a model of training participation was estimated that only included individual-level variables. Second, the model from step one was augmented with variables measuring workplace and firm characteristics. Third, separate models of training were estimated for different age groups. The specifications used were again based on the logit model, and for ease of exposition only the estimated odds ratios are reported.

The range of potential explanatory variables available in the AWIRS includes many that are similar to those available in the 1997 SETE. Most obvious here are age, sex, country of birth, a measure of English language speaking ability (whether or not English is usually spoken in the home), the number and age of dependent children, educational attainment, broad occupation category, employment status, years of job tenure, and union membership. Further, the AWIRS provides data on a number of other individual characteristics that may be of significance for training. These are: (i) whether of Aboriginal or Torres Strait Islander origin; (ii) whether suffering from a health condition or disability likely to last for more than six months; and (iii) a measure of perceived influence over workplace decision-making processes. The rationale for the inclusion of the first two variables is relatively straightforward, reflecting arguments that both Aboriginals and disabled persons may be discriminated against by employers, or in the case of disabled persons at least, that both employers and disabled workers may judge the benefits from participation in training to not be sufficient given the costs involved. The third variable, on the other hand, is rather more unusual. Based on responses to a question asking workers to indicate how much influence they believe they have over decisions that affect them at their workplace,[63] it is argued that so long as these perceptions are correlated with actual influence, then this variable should be positively correlated with training. That is, given access to training is rationed by employers, then where workers have greater levels of influence over decision-making, access to training is likely to be commensurately greater.

Of course, as noted above, the major advantage of the AWIRS is that it provides relatively detailed information about workplaces and firms. While there have been a number of studies into training determinants which have employed firm-level or workplace-level data (e.g., Baker & Wooden 1995/96; Green, Machin & Wilkinson 1999; Kennedy et al. 1994; Knoke & Kalleberg 1994; Lynch & Black 1998; Osterman 1995), with the exception of the unpublished study by Frazis, Gittlemann and Joyce (1998), none have used data sets which link this employer-based information to detailed data collected from employees. The workplace-level variables included in this analysis are thus extensive, and represent the following characteristics:

i workplace and firm size;

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[62] Long (1999) has also reported results from the estimation of logit models of training incidence using the AWIRS employee data.

[63] There were four possible response options: 'a lot', 'some', 'a little' and 'none'.

ii sector (i.e., public versus private) and operational status (whether operating on a commercial basis or not);

iii. location (located in or outside a major metropolitan area)
iv. foreign ownership;
v. features of the market which the workplace serves (extent of export activity, presence of import competition, extent of competition, and whether demand is stable or not);
vi. whether the workplace experienced major technological or organisational change during the preceding two years;
vii. skill requirements;
viii. union presence at the workplace;
ix. the presence of formal management structures designed to encourage employee involvement in workplace decision-making (namely semi-autonomous work groups, quality circles, or joint consultative committees);
x. measures of the extent to which both young persons (under 21 years of age) and older persons (over 50 years of age) are employed at the workplace;
xi. a measure of the extent to which management assigns a high priority to human resource management; and
xii. industry.

The inclusion of size variables in empirical models of training participation is standard practice, and is typically justified on the grounds that: (i) scale economies in the provision of training exist; (ii) the incentives for workers to participate in firm-specific training depend on the presence of a well developed internal labour market which in turn is a direct function of firm size; and (iii) high rates of business failure among small businesses reduce the incentive for both small firms and workers in small firms to invest in training (see Wooden 1996b). It is also accepted practice to include variables distinguishing publicly owned businesses from privately owned firms, and to include dummy variables to control for industry specific effects (e.g., arising from the effect of industry-specific technologies on training investments).

Far less common, we also allow for the possibility that training may be influenced by the nature of the external environment. Knoke and Kalleberg (1994, p. 540), for example, argue that organisations confronting rapid technological advances, intense domestic and international competition and high demands for skilled labour will be more likely to invest in improving the skills of their employees. Construction of most of the variables used to represent these influences is straightforward, but at least two of the variable types deserve some comment. First, three different types of change are identified: (i) the introduction of major new office technology or major new plant, machinery or equipment; (ii) a major reorganisation of workplace structure; and (iii) major changes to how non-managerial employees do their work. In each case, the variable included indicates whether change had taken place at any time during the previous two years. Second, skill requirements is proxied by a series of variables representing how long it takes workers in the numerically most important occupational group to achieve required competence levels. The assumption here is that skill requirements are directly correlated with the time taken to achieve the required competence level.

Measures of union presence are also often included in studies employing workplace level data, though it is generally difficult *ex ante* to determine what effect unions might have. To the extent training is a desirable benefit from employment, then unions can be expected to push for greater levels of investment in training by employers. On the other, the traditional functions unions play in raising wages may provide a disincentive to training. Recent empirical research tends to suggest that it is the positive union effect that predominates (e.g., Frazis et al. 1998; Green 1993b; Green et al. 1999; Kennedy et al. 1994; Osterman 1995). In this study a measure of union membership observed at the individual level is complemented by categorical variables distinguishing between non-union workplaces, workplaces with a union presence but where the major union is not very active, and workplaces with active unions.[64]

In part to complement the inclusion of the 'influence' variable described above, we also include measures identifying the presence of various formal structures within the workplaces, such as joint consultative committees, semi-autonomous workgroups and quality circles. With such arrangements, it is often claimed that worker voice within the workplace is enhanced, which might be expected to be associated with greater demands by workers for training. Further, the successful operation of these types of schemes may well require more intensive training of employees.

Very differently, given the central focus here on age, we also include measures of the proportion of older workers employed at the workplace. It may be, for example, that the disadvantage older workers face in terms of access to training is amplified where older workers are employed in relatively large concentrations.

Finally, we included a measure of the priority management assigns to human resources in overall decision-making. This variable is expected to be positively associated with the extent of training reported by employees. Comprised of three categorical variables, it is based on management responses to a single question seeking the extent of agreement with the statement: 'This organisation currently devotes considerable resources to the management of this workplace's human resources'. Five response options were offered, but the lowest scores attracted relatively few responses and hence have been combined to form one category.

Multivariate Analysis: Results

The results of the multivariate analysis are presented in summary form in an Attachment (Table 3.B1). As noted above, for ease of exposition only the odds ratios are presented (along with unweighted sample means). For the most part the results are consistent with expectations. Explanatory power is relatively low, but this is a feature shared with most other studies, and especially those employing large individual-level data sets. That said, and despite the large array of controls available in the AWIRS, the explanatory power of these equations is inferior to the analyses of the 1997 SETE data reported earlier. It is strongly suspected that this reflects the vague definition of training used in the AWIRS employee survey.

Despite the poor explanatory power, the signs on most variables are consistent with expectations. This is not to say that there are not differences with other research, including the results from the earlier analysis of the 1997 SETE. For the most part, however, such differences can be explained by either differences in the type of training covered by the

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[64] Following the AWIRS team (see Morehead et al. 1997, p. 326), a workplace is defined as having an active union if the senior delegate from the union with most members spends one hour or more each week on union activities, and either a general meeting of members is held at least once every six months, a joint or single union committee exists and meets regularly with management, or delegates meet with management (above first-line supervisor level) at least once a month.

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dependent variables or by the inclusion of a greater array of controls for workplace characteristics in the AWIRS analysis.

With respect to age, the results reported in column 2 of Table 3.B1 confirm the descriptive results presented above. The probability of receiving employer-provided training is highest for the youngest workers and lowest for the oldest. Again, however, the decline in training probabilities is only sizeable for workers aged 55 years and over. For most adult groups — that is, workers aged between 25 and 50 years — the probability of training does not vary significantly. After 50 years of age the probability falls noticeably, but not by enough to be statistically significant. Only after age 55 is a clear and sizeable training deficit apparent. Furthermore, augmentation of the regression model with workplace and firm characteristics, the results of which are reported in the third column, does not alter this conclusion. In other words, very little (if any) of the lower probability of training among older workers can be explained as a result of the concentration of older workers in firms with characteristics that are conducive to low levels of training.

Table 3.30 Estimated probability of receiving training
(derived from analysis of 1995 AWIRS data)

Worker type	%
Worker aged 25-44 to years	64.1
Worker aged 55 years or older	47.3
Worker aged 55 years or older but with characteristics identical to average 25-44 year old	52.2
Worker aged 55 years or older but who is treated the same as the average 25-44 year old	58.3

This is not to say that firm-level variables are not of importance — they are. There are, for example, very strong and significant associations with firm size, skill requirements and the priority management assigns to human resource management. There are also significant differences across industries and across sectors. Further, a strong training effect appears to be associated with foreign ownership and with exposure to technological and organisational change. Note, however, that the concentration of older workers in some workplaces is not found to have any additional adverse effect on the likelihood of older workers receiving training.

As with our analysis of the 1997 SETE data, we next estimated separate equations for workers in different age groups, thus allowing the effects of the different control variables to vary with age. These results can then be used to determine the extent to which the lower probability of training among older workers is due to differences in observable characteristics or due to differences in unmeasured characteristics or treatment. To the extent that the latter predominates, it provides suggestive evidence of discriminatory behaviour. As reported in Table 3.30, the predicted probability of a worker aged 55 year or over receiving training is 47.3 per cent, 16.8 percentage points lower than an otherwise comparable prime-age adult. Some of this differential can be explained by their different characteristics, especially lower average levels of education, greater likelihood of disability, a relatively greater concentration in blue-collar occupations and, of course, much longer average job tenure. If the 'average' older worker had exactly the same characteristics as the 'average' prime-age worker, their probability of training would rise by almost 5 per cent points to 52.2 per cent. Differences in characteristics thus explain a little under one-third of the training differential, leaving the majority unexplained. That is, over two-thirds of the training differential is the result of differences in treatment or due to unobservable characteristics. This is demonstrated by comparing rows 2 and 4 in Table 3.30. If older workers were assigned the same regression coefficients as prime-age adults their estimated probability of training would rise by 11 percentage points to 58.3 per cent. Determining the extent to which this training differential is due to different treatment of older workers (that is, discrimination) or due to unobservable characteristics is difficult. Nevertheless, there is a sizeable difference in the size of the constant term in the prime-age adult and older worker equations that suggests that unobservable characteristics are likely to be of large importance.[65] Further, on many of the key variables, such as education, perceived influence in decision-making and skill requirements, the estimated return to training is much greater for older workers. Only the coefficients on the HRM priority variable suggest some degree of employer discrimination in favour of younger adults.

In conclusion, this analysis finds a significant training deficit for older workers, but only for those workers aged 55 years plus. Some of this differential is due to observable characteristics, but most is not. Whether the differential reflects employer discrimination is, ultimately, impossible to assess with survey data such as these. There is certainly very little in these data to suggest a direct link with differential behaviour by employers. That of course, does not mean that discrimination is not present, just that we have not been able to directly infer it.

Finally, it is again worth noting that as with the analysis of the 1997 SETE data, the results from the analysis of the AWIRS data suggest that some of the influences on training participation do affect workers of different ages differently. In particular, both education and sector exhibit a very different relationship with training participation for the oldest worker cohort (55 years or over) than with younger adults. Again, university education ameliorates much of the training disadvantage of older worker cohorts. Indeed, in the AWIRS data, the average worker aged 55 years or over who has a undergraduate university degree is actually slightly more likely to have received training in the past year than a similar younger worker who also a degree. In the case of sector the AWIRS data suggest it is not the public–private distinction that is crucial, but employment in non-commercial businesses. Older workers employed in non-commercial businesses have probabilities of participating in training that are very similar to their younger counterparts. Indeed, if we take the average worker over 55 years working in a public non-commercial business, the predicted probability of training is 62 per cent. This compares with an average of 64 per cent among workers aged between 25 and 44 years.

Such findings suggest a clear conclusion — any interventions designed at assisting older workers to access training need to be targeted to at least some extent. In particular, interventions should exclude workers with a university education and should be targeted on the commercial (i.e., for-profit) sector.

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[65] The estimated constant term for the 25 to 44 year olds was -1.159 and for workers aged 55 years plus was -2.520. In contrast the constant term in the equation for 45 to 54 year olds (-1.139) was very close to that for the 25 to 44 year olds.

3.5.3 *Satisfaction with Training*

Whether training leads to beneficial outcomes can be expected to vary with a wide range of influences, not least of which is the way training is delivered and structured, and whether it is tailored to the needs of the workers involved. It is possible that older workers are disadvantaged not only in terms of their lesser exposure to training, but because the training being delivered is less suited to the needs and abilities of older workers. Certainly, this is a key theme in much of the adult education literature, though as observed in the literature review, it is also an issue that has not been subject to much empirical rigour.

In this section we attempt to get at this issue through data collected from employees on satisfaction with training. It is assumed, therefore, that if the training delivered to older workers is not well suited to their needs or abilities, then this will be reflected in relatively low levels of satisfaction with training. Of course, it can be argued that this is an extreme assumption. It might be, for example, that older workers are so grateful for receiving any training that this might colour their perceptions of how valuable that training really was. We admit that biases of this type may exist and may affect the results. Nevertheless, in the absence of data linking training to actual outcomes, it is difficult to identify alternative approaches to this issue.

Table 3.31Satisfaction with job-related training, 1995 AWIRS (% of persons who received job related training during previous 12 months)

Age group	Males			Females		
	Satisfied	Neither	Dissatisfied	Satisfied	Neither	Dissatisfied
15-20	63.9	27.5	8.6	63.8	27.1	9.2
21-24	53.9	28.0	18.0	56.0	25.4	18.6
25-29	53.7	28.0	18.3	53.8	26.4	19.9
30-34	49.9	29.2	20.9	53.8	23.9	22.3
35-39	53.1	27.2	19.6	56.4	24.6	19.1
40-44	50.8	24.1	25.1	58.2	23.0	18.9
45-49	55.8	25.9	18.2	64.2	21.0	14.9
50-54	61.1	22.8	16.1	62.9	22.1	15.0
55 or ove	63.1	22.6	14.3	72.8	20.5	6.7
Total	54.9	26.4	18.7	58.5	24.1	17.4

Source: 1995 AWIRS employee survey.

A summary of the key descriptive data is presented in Table 3.31. It is immediately apparent that the hypothesis that satisfaction with training declines with age is not supported. Indeed, if there is a relationship, it is a U-shaped one, with satisfaction levels highest for both the youngest and oldest worker cohorts. For example, 50 and 54 per cent of 30 to 34 year old males and females, respectively, reported that they were satisfied with the job-related training they had received. Among the oldest age cohort (55 years and over) the comparable proportions were 63 and 73 per cent.

Furthermore, estimation of a simple multivariate logit model of the likelihood of reporting satisfaction suggest that this relationship between age and satisfaction with training is not the result of some spurious correlation between age and some other third variable. As with the modelling of the incidence of training, we again estimated a logit model of the likelihood of a worker reporting that they were satisfied with the training they had received. The analysis was restricted to workers who indicated they had receiving training during the previous 12 months and the dependent variable was recoded into binary form, with persons reporting dissatisfaction being combined with persons reporting neither satisfaction nor dissatisfaction.

The results are reported in an Attachment (Table 3.B2). Three specifications are reported: the first includes only individual-level variables, the second incorporates workplace level variables, and the third includes an estimate of the probability of training as a crude means of controlling for potential selection bias. Given no strong *a priori* reasons for choosing between different explanatory variables, we opted to use the same set of explanatory variables used to explain training incidence. The results suggest a number of important conclusions.

First, it is very difficult to explain satisfaction with training using the variables at our disposal. This is not surprising, with satisfaction with training likely to depend mostly on the way the training is structured and delivered. Second, satisfaction with training is largely unaffected by observable workplace and firm characteristics (such as workplace and firm size), with the incorporation of workplace-level variables having very little effect on the results. Third, in all specifications, older workers (in this case, over 50 years) are much more likely to respond favourably about the training received. Indeed, the likelihood of a worker aged 55 years or over reporting satisfaction with training is about 1.7 times that of an otherwise comparable 35 to 39 year old. The relevant ratio for a 50 to 54 year old is between 1.3 and 1.4.

One potential problem with these results is the possibility that those groups least likely to receive training may be most likely to report satisfaction with training not because of the quality of training, but because of feelings of gratitude for receiving any training at all. Thus not only do older workers report greater levels of satisfaction with training, so too do the relatively less well educated, casual employees, and workers on fixed-term contracts, all groups which have low probabilities of receiving training in the first place. In an effort to control for this effect, the estimated probability of training was included as an additional regressor variable. The results of this exercise are reported in column 3 in Table 3.B2. In total contrast to expectations, this variable attracted a large positive value, indicating that the more likely you are to receive training the more likely you are to report being satisfied. In other words, the relatively greater likelihood of older workers reporting satisfaction with training does not appear to be a function of feelings of gratitude for being selected into training courses by their employer.

3.6 Perceived Barriers to Participation in Training

In the previous two sections, we examined what factors — including age, other personal characteristics, nature of the job and firm-related characteristics — are associated with whether or not a worker obtained training. One of the key results was that much of the difference in the training participation across age cohorts remains unexplained. This is not surprising as we earlier noted that no data is actually obtained on the variables that enter into the decision-making process for all individuals. Thus, this unexplained variance could result from a number of characteristics related to the employee (e.g., different levels of interest in training among workers) and/or the employer (such as employer discrimination). In an attempt to shed some additional light on this issue, in this section we explore employees' perceptions on the barriers to training.

Very little data is available on this issue, but some was collected in both the 1993 and the 1997 ABS surveys (though not the 1989 survey). Both gathered information on perceived barriers to participating in training among those who had not participated in training in the twelve months prior to the survey. However, neither of the two ABS surveys dealt with the issue of barriers experienced among those who undertook a limited amount of training — that is, we have no information on why these respondents did not undertake additional training.

Note that the nature of the questions on barriers to training differ considerably in the 1993 and 1997 ABS surveys. In 1993, a distinction was made between barriers to undertaking training: (i) during work time, and (ii) in the individual's own time and at their own expense. As well, in the earlier of the two surveys, up to three reasons for not attending training were ascertained. In contrast, the 1997 survey simply asked those who had not participated in any training in the previous twelve months to indicate the *main* reason they had not done so. Then a follow-up question asked respondents to indicate what one main factor would have enabled or encouraged them to undertake some training in the past year. Furthermore, the set of categories into which responses were coded differ between the two surveys.

In this section of the report, we first examine the results on perceived barriers from the 1997 ABS survey with respect to wage and salary earners. Secondly, we detail the training barriers experienced by the unemployed and those who were marginally attached to the labour force. Finally, we examine the results from the 1993 data with regard to barriers faced by employees in participating in training in work time, and then in their own time and at their own expense.

3.6.1 Barriers to Training among Employees (Using the 1997 ABS Data)

Looking first at the results from the 1997 survey, Table 3.32 indicates that the most common response to the question of why they had not undertaken training in the past year was that the employees felt that they had no need for training — half of the employees who had not undertaken training had offered this explanation as the main one for not participating in training. The remaining reasons were grouped into four categories, and of these, 'work-related reasons' was most common (with 21 per cent indicating that such reasons were the main factor that prevented them from participating in training). Of the other reasons noted by employees, the lack of time figured most prominently (7.3 per cent of respondents).

In terms of differences by age, one trend is particularly striking — the likelihood that the respondent indicated they had no need for training increased with age, with a particularly sharp increase in this response at the tail end of the distribution. That is, while only 44 per cent of young adult employees who had not undertaken training indicated no need for training, 57 per cent of 45 to 54 year old employees, and over two thirds (69 per cent) of

55 to 64 year old employees indicated that this was the case. Thus, according to these data, a common view among older employees (and especially those aged 55 to 64 years) who had not participated in training is not that they were prevented from undertaking training; instead, they simply felt they did not need it. Turning to the other reasons for not participating in training, the key findings are as follows:

Few employees overall (3.3 per cent) suggested that the availability and suitability of courses were at fault in terms of preventing them from undertaking training. Older workers were not significantly more or less likely to indicate that course offerings explained their lack of participation in training.

- i Employees aged 55 to 64 years old were the group most likely to indicate that health, injury and disability issues explained why they did not undertake training in the past year, but still, only a small percentage (3 per cent) of this group felt this was a key barrier to participating in training.
- ii Older employees (and again, especially those aged 55 to 64 years) were less likely than other employees to consider the following as key barriers to undertaking training: financial reasons, the amount of work they had, and the lack of time.
- iii The available data do not support the notion that employer discrimination is a major barrier to accessing training among older workers (at least in the opinions of the employees themselves). If we use 'lack of employer support' as a measure of discrimination, we would conclude that a small proportion of older workers (3.4 per cent of 45 to 54 year olds and 1.1 per cent of 55 to 64 year olds) were discriminated against. If one argued that the reason 'little difference to work prospects' should also be included (as employer discrimination could play a role in determining whether training leads to promotion or higher pay), then up to 13.0 per cent of 45 to 54 year old employees and 9.9 per cent of 55 to 64 year old employees who had not undertaken training could be suggesting employer discrimination played a key role in their lack of participation. However, these percentages are no larger than that of the other age groups, so it cannot be argued, from these data at least, that employer discrimination regarding training is *more* of an issue for older employees than other employees.

When barriers to training were compared by gender, the results indicated few significant differences in responses. In particular, for employees in both the 45 to 54 year group and the 55 to 64 year group, men and women were equally likely to say they did not need training.[66] The main statistically significant difference observed indicates that among 55 to 64 year old employees, work-related reasons were considered to be more of a barrier to men than women (15.2 per cent and 8.9 per cent, respectively), while the lack of time was more commonly offered as an explanation by women (6.2 per cent) than men (2.0 per cent).

Arguably, a more informative question (at least from a policy perspective) than the one on reasons for not undertaking training is the question asked in the 1997 survey on factors that would have enabled or encouraged training. Responses to this question are shown in Table 3.33. Again one answer dominates — 54 per cent of employees said that 'nothing' could have been done to enable or encourage them to undertake training. Not surprisingly, there is considerable overlap between feeling there is no need for training and a lack of enabling factors to undertake training — specifically, 81 per cent of those who said they did not need training said 'nothing' would have enabled them to undertake training. In contrast, only 45 per cent of those who had given a reason other than 'no need' for not attending training said that nothing would have helped them participate in training.

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[66] Among 45 to 54 year olds, 57.7 per cent of male employees and 56.1 per cent of female employees who had not undertaken training in the past year said the main reason for this was that they did not need training. The corresponding figures for 55 to 64 year old employees are 68.8 per cent for men, and 69.2 per cent for women.

Table 3.32Main reason employees did not attend any training courses in the previous year, 1997 (% of persons who, in the past year, had held a wage and salary job and had not attended any training)

	15–24 year olds	25–34 year olds	35–44 year olds	45–54 year olds	55–64 year olds	Probability of no difference	Total

2.2 1.1
2.8
3.9 2.6
0.015 ns ns <0.001 <0.001
1.5
8.6 5.4
9.9
50.5 7.3
a a a a b
1. 1.0.001 1. 0.001 9.6 <0.001
0.
ns
<0.001 0.002
15.3
21.3 <0.001
3.0 a 3.3 4.3
4.2
69.0 8.8 <0.001
<0.001
3.6
7.6
3.4 1.7 1.9 3.0 0.033
8.3 ns
56.9
9.6 8.5
12.9 1.2 7.3
6.6
2.4 1.7 2.7 4.0 3.7
50.9 9.4 2.1 12.2 138
7.8 21.3
8.2
5.3
10.7
2.9 1.0 3.1 4.9 3.7
45.2 12.5
2.9 14.8
7.6 19.5
12.8 7.8 7.6
1.9
43.9 11.5 3.2 1.1 3.2 9.7 15.6 6.7
23.0
9.7 4.0
7.5
8.0 1.5
1.5
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o/little interest or motivation
Too busy
-related reasons ns Secondary students still at scho
Relative standard error between

No need for trainin

Wor Course- or sk Other reasons Notes: a Source: ABS 1997, Survey of

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Again, significant differences by age are evident in responses. Most notable is the fact that older employees were much more likely to have said that nothing would have enabled them to participate in training. That is, while only about half of those under the age of 45 years said nothing would have helped them to undertake training, 63 per cent of 45 to 54 year old employees and 76 per cent of 55 to 64 year old employees gave this response. In other words, a large percentage of older employees not only feel they do not need training, they also feel that no actions could be taken that would enable or encourage them to undertake training.

Nonetheless, it is worthwhile to note that the remaining results do suggest that some factors would have encouraged participation among older employees. About one in ten older employees indicated that if they thought that the training would have had an impact on their job opportunities or if the training was required for their job, they would have been encouraged to participate in training. As well, small percentages felt that if they had more time, if their workload was lighter, or if they had more employer support, they would have been able to participate in training.

As we found for the question regarding reasons for not attending training, responses according to gender are remarkably similar. Most notably, no significant differences were found in terms of the percentages of male and female employees who said that there were no factors that would have enabled them to undertake training.[67]

3.6.2 Barriers to Training among Unemployed and Marginally Attached Persons (Using the 1997 ABS Data)

What are the barriers to training faced by unemployed persons? In order to answer this question, we again made use of the 1997 ABS data, but this time considered only those who were unemployed or indicated a marginal attachment to the labour force. The results are shown in Table 3.34. The main conclusion to be drawn from these data are that barriers to training faced by unemployed and marginally attached older persons differ considerably from that of their wage and salary earner counterparts. Most noticeably, the older unemployed and marginally attached persons are less likely than older employees to say they do not need training. For example, among those who did not undertake training in the previous year, 41 per cent of unemployed and marginally attached 55 to 64 year olds said they did not need training, while 69 per cent of employees in this age group gave this response. The corresponding values for the 45 to 54 year olds are 32 per cent for the unemployed and marginally attached and 57 per cent for the employees. Nonetheless, among all those who were unemployed or marginally attached to the labour market, older persons were still more likely than younger persons to have indicated that the main reason they did not attend training was that they did not need training.

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[67] Specifically, of those employees aged 45 to 54 years who had not undertaken training, 64.0 per cent of men and 61.1 per cent of women said that nothing would have encouraged them to participate in training. Among those aged 55 to 64 years, 74.9 per cent of men and 77.2 per cent of women gave this response.

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Table 3.35Reasons older employees did not attend any training courses in the previous year, by type of training course, 1993 (% of persons who, in the past year, had held a wage and salary job and had not attended any training)

	Training in work time		**Training in own time at own expense**	
	45-54 year olds	**55-64 year olds**	**45-54 year olds**	**55-64 year olds**
No need, little difference to work prospects	39.3	52.2	43.1	48.7
Wor -related reasons	11.2	5.8	2.7	1. [a]
Scheduling of work & trainin	4.6	2.9	1.9	1. [a]
Lack of employer suppor	6.7	3.0	0. [a]	0. [b]
Course- or skill-related reasons	26.2	22.7	10.7	10.2
No courses available	24.8	21.8	9.8	9.4
Other	1.8	0. [a]	0.9	0. [a]
Personal or family factors	8.7	13.0	18.1	21.4
Not interested or motivated	8.4	12.6	15.2	20.7
Physical disabilit	0. [a]	0. [b]	0. [a]	0. [b]
Lack of child care, family responsibilities	na	na	2.6	0. [b]
Other reasons	17.7	13.1	28.7	19.6
No time	13.3	8.6	24.4	16.2
Too expensive	1.1	1. [a]	2.8	0. [a]
Othe	4.3	4.1	2.8	4.3
No reason give	7.4	4.7	6.4	4.7

Notes: a Relative standard error between 25 and 50 per cent — estimate should be treated with caution.
b Relative standard error greater than 50 per cent, which is too large to be of any practical value.
na Not applicable; this response was not coded separately for this question.
Columns may not add up to 100 per cent since multiple responses (up to three reasons) were allowed.
Source: ABS 1993, Survey of Training and Education Experience, unpublished data from sample file.

Not surprisingly, few of the unemployed and marginally attached suggested that work-related reasons were the main barrier that prevented them from attending training, and differences across the age groups are non-significant. The older persons were also not significantly more or less likely than their younger counterparts to say that course or skill-related reasons prevented them from attending training, although 5 per cent of the 55 to 64 year olds and 6 per cent of the 45 to 54 year olds did note this as their main barrier to training.

Compared with their counterparts who were employees, the unemployed and marginally attached were more likely to indicate that personal or family reasons were the main barriers to them attending training. Further, for the three types of barriers grouped under the heading of personal or family reasons, we find significant differences by age. First, we find that ill health, injury or disability was more likely to be a barrier to the older unemployed and marginally attached than to younger persons. Further, this form of training barrier is clearly more common for the older unemployed and marginally attached than it was for the older employees. Secondly, the unemployed and marginally attached persons aged 45 years and over were more likely than those under the age of 45 years to

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say they had no or little interest in undertaking training. Thirdly, caring for family members and/or child care problems were less likely to be a barrier to the participation in training of older persons than other unemployed or marginally attached persons. Nonetheless, for more than one in ten (12 per cent) of the 45 to 54 year olds (and 2 per cent of the 55 and 64 year olds), family caring issues were noted as their main barrier to training participation.

3.6.3 Barriers to Training among Employees (Using the 1993 ABS Data)

We noted earlier that the approach used to examine barriers to training in the two most recent ABS surveys on education and training experience differ considerably. Because of this, the results cannot be compared. Yet, it is worth noting the key findings with regards to age and barriers to training that were obtained via the approach used in the 1993 survey. One could argue that the 1997 question was limited in that it only allowed respondents to indicate one 'main' barrier to participating in training, while actual barriers to training participation are likely to be complex and multi-faceted. The 1993 survey allowed for up to three reasons for not participating in training. This difference, though, is not likely to have affected the results greatly, as most employees — 81 per cent with regard to training in their own time and 79 per cent with regard to training in work time — only noted one barrier, despite the opportunity to list more.

The more important difference between the two surveys is the fact that the 1993 survey allowed respondents to indicate barriers which were relevant to two different types of training, and responses suggest that to a certain degree, barriers do differ depending on the type of training under consideration. The results for older employees are shown in Table 3.35.

Clearly, while course-related reasons were of little relevance according to the 1997 survey, the results of the 1993 survey suggest that when considering training in work time, a considerable proportion of older employees who had not undertaken training during work time felt that the lack of course offerings was a barrier to their participation. Furthermore, work-related reasons are seen to be more of a barrier to training during work time, while personal and family factors, and the lack of time are more relevant to not participating in training at their own expense. Nonetheless, the perceived need for training as a barrier does not seem to vary according to the type of training, since percentages of each of the two age groups who said that they had no need for training (or that the training would have little impact on their work prospects) are similar across the two types of training. It should also be noted that participation in training rose for older workers from 1993 to 1997 in each of the three main forms of training.

Table 3.33Main factor that would have enabled or encouraged employees to attend a training course in the previous year, 1997 (% of persons who, in the past year, had held a wage and salary job and had not attended any training)

	15–24 year olds	25–34 year olds	35–44 year olds	45–54 year olds	55–64 year olds	Probability of no difference	Total
None	48.6	48.8	50.8	62.6	75.8	<0.001	54.

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More

Others

Cou Personal skill-related factors

<0.001 0.0280140.001<0.00100100100100125

23.1 3.3 3.3.7 1.8 5.1 3.3 13.85.0 3.9 3.9

a a a a a

1. 1. 1. 2. 1.

2.9 3.8 2.8

3.3 1.5 2.3 2.9 11.3 2.8 7.2 5.3

3.5 4.9 4.1 3.9 20.7 10.5 6.5 1.2 7.3

3.4 5.0 4.9 4.2 24.0 15.8

6.9 6.6 1.6 3.7 1.6 4.7 4.9 15.7 24.5 3.4 3.9 6.0 2.0 15.5 27.3 4.0 2.4 4.7

Difference is not statistically significant (

Secondary students still at school are excl

Relative standard error between 25 and

Notes: a

Source: ABS 1997, Survey of Educatio

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Table 3.34Main reason unemployed and marginally attached did not attend any training courses in the previous year, 1997 (% of persons who were unemployed or marginally attached at the time of the survey and, in the past year, had not held a wage and salary job and had not attended any training)

	15–24 year olds	25–34 year olds	35–44 year olds	45–54 year olds	55–64 year olds	Probability of no difference	Total
No need for training	16.2	14.2	20.8	31.7	41.2	<0.001	22.0
Work-related reasons	6.0	3.3^a	2.9^a	4.3^a	7.3^a	ns	4.4
Course- or skill-related reasons	9.8	5.9	7.8	5.8^a	5.2^a	ns	7.1
Personal or family reasons	31.7	59.4	46.0	38.6	25.2	<0.001	43.1
No/little interest or motivation	9.9	5.6	8.4	12.9	12.9	0.010	9.2
Own ill health, injury or disability	2.9^a	4.6	8.5	13.8	9.9^a	<0.001	7.3
Caring for family members, child care problems	18.9	49.1	29.0	11.9	2.4^a	<0.001	26.6
Other reasons	36.3	17.2	22.5	19.7	21.1	<0.001	23.4

Notes: a Relative standard error between 25 and 50 per cent — estimate should be treated with caution.
ns Difference is not statistically significant (at 0.05 level, 2-tailed test).
Secondary students still at school are excluded from the sample.
Source: ABS 1997, Survey of Education and Training Experience, unpublished data from sample file.

3.6.4 *Summary*

In summary, data on barriers to training participation are scarce and that which does exist focuses only on those who did not participate in training at all (and not on those who participated for only a limited number of hours).

From the available data on perceptions of barriers to training among older persons who did not participate in any training in the previous year, we found that a high proportion of older persons (including both employees and those who were unemployed or marginally attached to the labour force) feel that they do not need training and that no actions would encourage them to undertake training. Further, we found that employer discrimination is, at least, not considered to be a major barrier to their participation in training. However, these results must be qualified. The questions in both the 1993 and 1997 ABS surveys (from which these conclusions are derived) are limited in their ability to capture the complexity of why those who did not undertake training did not do so. Most obviously, it would have been helpful to explore further with the respondents (and, in particular, the older respondents) who said they did not need training, what exactly this meant to them (for example, did they feel they had all the skills they needed, or that there were no benefits to be gained in terms of promotion).

Second, perceptions of employer discrimination (or the lack thereof) are not addressed specifically in the two surveys and our discussion on this issue is limited by this fact. Further exploration of this issue, more directly, with older persons who had not undertaken training would be worthwhile.

Finally, while results from the 1997 SETE suggest that reasons related to training courses themselves are not an important factor in explaining non-participation in training, the 1993 survey does — as over 20 per cent of those aged 45 to 64 years indicated that the lack of courses was a barrier to them undertaking training during work time. This result from the 1993 survey suggests that improving course availability might enable more older workers to undertake training (at least during work time). Nevertheless, the fact that no such finding resulted from the 1997 survey means that further work must be undertaken to verify the association between the training participation of older workers and the availability of training courses.

3.7 Conclusions

So what have we learned? The key conclusion is obvious — older persons, and more particularly, older employed persons, are significantly less likely to receive training than their younger adult counterparts. Where the effect becomes marked is less clear and varies with the type of training under consideration. In the case of educational study, for example, the age effect is approximately continuous, with each successively older age group less involved in study. In contrast, for more structured forms of training the effect only starts to become noticeable after age 45, though arguably is only pronounced for workers in their 50s and 60s.

Of course, such findings are not unexpected. Moreover, they do not necessarily mean that older workers either are discriminated against or under-invest in training. Human capital theory, for example, leads us to expect that both workers and firms will choose to distribute training investments over the life-cycle such that these investments are concentrated during the earlier years of labour market participation, and not as workers draw closer to their expected retirement age. Furthermore multivariate analysis is unable to help us much in determining whether observed levels of participation in training are sub-optimal or not. While it is true that observable characteristics were only found to explain between 33 and 40 per cent of the training disparity between prime-age and mature-age workers (depending on the data set used), the possibility that the difference is due to unobservable characteristics, rather than differences in the way workers of different ages are treated cannot be discounted.

It is true, however, that the relative position of older workers with respect to training over time has been improving, which might suggest that, in the past at least, training levels among older persons were inadequate. However, until we are able to identify what the reasons for this shift are, such conclusions remain highly speculative.

It is also the case that many older workers appear to express little interest which might be taken as *prima facie* evidence of an under-investment in training by those workers. Again, however, such conclusions cannot be substantiated on the basis of the evidence reported in this chapter. The survey data, for example, are concerned with perceptions that training is not needed, which might reflect such factors as a fear of training or a perception that employment prospects for older workers are not enhanced by additional training. If so, this would indeed provide a rationale for government intervention. Unfortunately, such responses could also reflect worker assessments about the value of their accumulated experience and expectations about the likely date of retirement from work. Investment in training clearly makes no sense if it will not enhance skills or if the time available to recoup that investment is very short. Many older workers will thus quite rationally elect to avoid training.

Finally, it should not be assumed that older workers are a homogeneous group. While, by and large, the same sorts of factors which influence the probability of younger workers receiving training are also the same sorts of factors that influence training participation by older workers, there are two notable exceptions. Older workers with a university education and older workers employed by businesses in the non-commercial sector appear to fare much better in terms of accessing training.

Attachment 3A: Results of Regression Analysis, 1997 SETE

Table 3.A1.. Logit regression results – Determinants of training participation, 1997 SETE

Characteristic	Exp (Logit)		
	Formal training	On-the-job training	Educational study
Age of employee			
15-19	0.71**	3.00**	3.70**
20-24	0.80**	1.62**	2.51**
25-29	0.93	1.10	1.11
30-34	1.00	1.00	1.00
35-39	0.95	0.95	0.75**
40-44	0.86#	0.93	0.67**
45-49	0.77**	0.76**	0.51**
50-54	0.70**	0.66**	0.33**
55-59	0.54**	0.61**	0.25**
60-64	0.35**	0.39**	0.13**
Sex			
Male	1.00	1.00	1.00
Female	1.13*	0.97	1.00
Marital status			
Single	1.00	1.00	1.00
Married	1.09#	0.95	0.73**
Number of dependent children (if male)			
No. of dep. children aged <3	1.10	1.05	1.04
No. of dep. children aged 3-4	1.00	1.10	1.37#
No. of dep. children aged 5-9	0.96	0.97	0.96
No. of dep. children aged 10-14	1.02	1.02	1.07

Characteristic	Exp (Logit)		
	Formal training	On-the-job training	Educational study
Number of dependent children			
(if female)			
No. of dep. children aged <3	0.58**	0.79#	0.48**
No. of dep. children aged 3-4	0.83	0.82	0.59**
No. of dep. children aged 5-9	1.03	1.20	0.90
No. of dep. children aged 10-14	1.00	1.00	1.00
Educational attainment			
Postgraduate degree / diploma	1.98**	2.92**	8.44**
Undergraduate degree / diploma	1.90**	2.26**	5.51**
Vocational qualification	1.47**	1.44	3.72**
Associate diploma, adv. certif.	1.69**	1.09	3.36**
Completed secondary school	1.57**	1.66**	3.19**
Left school at 16-18 years	1.12	1.24**	1.26
Left school before 16 years	1.00	1.00	1.00
Highest qualification obtained			
o/seas			
Yes	0.92	0.78**	0.67**
No	1.00	1.00	1.00
Country of birth/background			
Australia, non-English speaking	0.76*	0.75*	0.86
Australia, English speaking	1.00	1.00	1.00
Overseas, non-English speaking	0.55**	0.64**	1.16
Overseas, English speaking	0.90#	1.13#	1.16*

Characteristic	Exp (Logit)		
	Formal training	On-the-job training	Educational study
Language difficulties			
None	1.00	1.00	1.00
Slight	0.59**	0.87	0.77
Substantial	0.44**	0.80	0.60*
Job tenure			
Less than 1 year	1.00	1.00	1.00
1 to 2 years	0.61**	0.60**	0.85
2 to 5 years	0.61**	0.46**	0.88
5 to 10 years	0.63**	0.40**	0.83
10 or more years	0.73**	0.43**	0.87
Union member			
Yes	1.33**	1.06	1.15*
No	1.00	1.00	1.00
Don't know	0.98	0.92	0.96
Hours of work			
Less than 10	0.58**	0.58**	2.17**
10 to 29	0.92	0.92	1.54**
30 to 40	1.00	1.00	1.00
41 to 48	1.30**	1.23**	0.99
49 or more	1.39**	1.22**	0.99
Employment status			
Casual	0.69**	0.84**	1.03
Permanent employee	1.00	1.00	1.00
Employee at time of survey			
Yes	1.00	1.00	1.00
No	0.51**	0.67**	1.09

Characteristic	Exp (Logit)		
	Formal training	On-the-job training	Educational study
Occupation			
Managers	1.00	1.00	1.00
Professionals	1.13	1.52**	1.03
Associate professionals	0.89	0.94	1.12
Tradespersons	0.58**	0.56**	1.17
Advanced clerical & service workers	0.77*	0.92	0.94
Intermediate clerical, sales & service workers	0.75**	0.68**	0.83
Intermediate production & transport workers	0.43**	0.34**	0.55**
Elementary clerical, sales & service workers	0.59**	0.53**	0.80
Labourers & related workers	0.39**	0.34**	0.52**
Firm size			
Less than 10 employees	0.39**	0.71**	1.01
10 to 19 employees	0.44**	0.72**	1.01
20 to 99 employees	0.68**	0.81**	1.05
100 or more employees	1.00	1.00	1.00
Don't know	0.58**	0.69**	0.98
Sector			
Private	1.00	1.00	1.00
Public	1.18**	1.34**	1.32**
Cragg-Uhler pseudo R-squared	0.348	0.246	0.288
Model chi-square	4313.85	2667.52	2605.90
Prediction success (%)	71.2	77.7	84.7
Reduction in prediction error (%)	42.0	40.4	43.6
N	16194	16194	16194

Notes: 1. **, * and # indicate significance at the one, five and ten per cent levels, respectively in a two-tailed test.
2. Industry dummies at one digit ANZSIC are included, and are jointly significant.
3. Continuous variables on occupational experience (years), experience squared, and no. of weeks worked with main period employer are also included but not reported.

Table 3.A2Logit regression results – Determinants of formal training participation by age, 1997 SETE

Characteristic	**Exp (Logit)** **25-44 years**	**45-54 years**	**55-64 years**
Age of employee			
15-19	-	-	-
20-24	-	-	-
25-29	0.93	-	-
30-34	1.00	-	-
35-39	0.95	-	-
40-44	0.87#	-	-
45-49	-	1.00	-
50-54	-	0.95	-
55-59	-	-	1.00
60-64	-	-	0.61#
Sex			
Male	1.00	1.00	1.00
Female	1.11	1.07	1.14
Marital status			
Single	1.00	1.00	1.00
Married	1.12	0.93	1.36
Number of dependent children			
(if male)			
No. of dep. children aged <3	1.10	0.85	0.53
No. of dep. children aged 3-4	1.00	0.77	413.84
No. of dep. children aged 5-9	0.96	0.93	1.45
No. of dep. children aged 10-14	1.07	0.95	1.09

Characteristic	Exp (Logit)		
	25-44 years	45-54 years	55-64 years
Number of dependent children			
(if female)			
No. of dep. children aged <3	0.59**	2.46	-
No. of dep. children aged 3-4	0.87	0.98	-
No. of dep. children aged 5-9	1.07	1.16	-
No. of dep. children aged 10-14	1.00	1.00	1.00
Educational attainment			
Postgraduate degree / diploma	1.66**	2.23**	2.61**
Undergraduate degree / diploma	1.67**	1.99**	2.46**
Vocational qualification	1.33**	1.70**	1.21
Associate diploma, adv. certif.	1.26	2.86**	1.94
Completed secondary school	1.40**	1.38#	0.97
Left school at 16-18 years	1.00	1.44*	1.21
Left school before 16 years	1.00	1.00	1.00
Highest qualification obtained			
o/seas			
Yes	0.97	0.68*	1.45
No	1.00	1.00	1.00
Country of birth/background			
Australia, non-English speaking	0.77#	0.58	0.01
Australia, English speaking	1.00	1.00	1.00
Overseas, non-English speaking	0.55**	0.62**	0.51*
Overseas, English speaking	0.93	0.98	0.58*

Characteristic	Exp (Logit)		
	25-44 years	45-54 years	55-64 years
Language difficulties			
None	1.00	1.00	1.00
Slight	0.64*	0.67	0.43
Substantial	0.39**	0.27**	0.71
Job tenure			
Less than 1 year	1.00	1.00	1.00
1 to 2 years	0.58**	0.53*	0.43
2 to 5 years	0.57**	0.60#	0.60
5 to 10 years	0.62**	0.59#	0.39
10 or more years	0.66**	0.78	0.46
Union member			
Yes	1.31**	1.30**	0.94
No	1.00	1.00	1.00
Don't know	0.73	0.24	0.00
Hours of work			
Less than 10	0.41**	0.50**	0.37*
10 to 29	0.84*	1.04	0.85
30 to 40	1.00	1.00	1.00
41 to 48	1.25**	1.19	1.44
49 or more	1.39**	1.28*	0.98
Employment status			
Casual	0.76**	0.57**	0.76
Permanent employee	1.00	1.00	1.00
Employee at time of survey			
Yes	1.00	1.00	1.00
No	0.55**	0.34**	0.60*

Characteristic	Exp (Logit)		
	25-44 years	45-54 years	55-64 years
Occupation			
Managers	1.00	1.00	1.00
Professionals	1.09	1.71**	0.61
Associate professionals	0.85	1.16	0.63
Tradespersons	0.59**	0.60*	0.46*
Advanced clerical & service workers	0.79	0.78	0.49
Intermediate clerical, sales & service workers	0.66**	1.11	0.44*
Intermediate production & transport workers	0.36**	0.58*	0.31**
Elementary clerical, sales & service workers	0.47**	0.70	0.51#
Labourers & related workers	0.31**	0.49**	0.34*
Firm size			
Less than 10 employees	0.36**	0.45**	0.26**
10 to 19 employees	0.42**	0.38**	0.63
20 to 99 employees	0.68**	0.64**	0.82
100 or more employees	1.00	1.00	1.00
Don't know	0.49**	0.66**	0.86
Sector			
Private	1.00	1.00	1.00
Public	1.16#	1.10	2.05**

Characteristic	Exp (Logit) 25-44 years	45-54 years	55-64 years
Cragg-Uhler pseudo R-squared	0.365	0.349	0.381
Model chi-square	2406.63**	858.97**	322.93**
Prediction success (%)	71.7	71.1	74.9
Reduction in prediction error (%)	43.3	42.1	43.9
N	8605	3213	1169

Notes: 1. **, * and # indicate significance at the one, five and ten per cent levels, respectively in a two-tailed test.
2. Industry dummies at one digit ANZSIC are included, and are jointly significant.
3. Continuous variables on occupational experience (years), experience squared, and no. of weeks worked with main period employer are also included but not reported.

Attachment 3B: Results of Regression Analysis, 1995 AWIRS

Table 3.B1 .. Logit regression results – determinants of job-related training, 1995 AWIRS

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Age of employee						
15-20	0.053	1.78**	1.91**			
21-24	0.096	1.23**	1.29**			
25-29	0.134	1.10	1.12	1.11		
30-34	0.144	0.95	0.97	0.98		
35-39	0.143	1.00	1.00	1.00		
40-44	0.142	0.91	0.90	0.94		
45-49	0.129	1.06	1.07		1.00	
50-54	0.089	0.88	0.88		0.80**	
55+	0.070	0.62**	0.65**			
Sex						
Male	0.552	1.00	1.00			
Female	0.448	0.94	0.99			
Country of birth						
Australia	0.757	1.00	1.00	1.00	1.00	1.00
Main English-speaking country	0.111	0.93	0.97	0.89	1.03	1.06
Other country	0.132	0.88*	0.91	0.93	0.86	0.60*
Language spoken at home						
English	0.935	1.00	1.00			
Other	0.065	0.87#	0.90			
Aboriginal / Torres Strait Islander						
Yes	0.013	0.95	0.97			
No	0.987	1.00	1.00			

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Long-term disability / illness						
Yes	0.081	0.93	0.92	0.97	0.82#	0.64*
No	0.919	1.00	1.00	1.00	1.00	1.00
Number of dependent children (if female)						
No. of dep. children aged <4	0.051	0.88*	0.86*	0.87*	1.18	–
No. of dep. children aged 5-12	0.119	1.04	1.05			
No. of dep. children aged 13+	0.128	1.04	1.07#			
Number of dependent children (if male)						
No. of dep. children aged <4	0.134	0.97	0.97	0.97	0.67*	0.49
No. of dep. children aged 5-12	0.218	1.01	0.99			
No. of dep. children aged 13+	0.177	1.06#	1.05			
Educational attainment						
Postgraduate degree / diploma	0.099	1.17*	1.16#	1.15	1.10	4.42**
Undergraduate degree / diploma	0.138	1.35**	1.35**	1.32**	1.35#	3.05**
Associate diploma, adv. certif.	0.094	1.09	1.05	1.25*	1.09	0.93
Skilled vocational qualification	0.117	0.98	0.98	1.00	1.11	1.13
Basic vocational qualification	0.043	1.19*	1.26*	1.18	1.27	2.33#

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Completed secondary school	0.186	1.00	1.00	1.00	1.00	1.00
Some secondary school	0.277	0.91#	0.93	0.94	0.98	0.79
Primary school	0.025	0.84	0.88	0.95	0.87	0.86
Other	0.021	0.94	1.02	0.84	1.36	1.64
Occupation						
Manager	0.086	1.53**	1.34**	1.25*	1.53*	1.28
Professional	0.160	1.61**	1.43**	1.47**	1.35	0.79
Para-professional	0.105	2.01**	1.68**	1.58**	1.68**	1.85#
Tradesperson / apprentice	0.090	0.94	0.97	0.86	0.80	0.58
Clerk	0.202	1.67**	1.35**	1.36**	1.32*	1.96*
Sales / personal service worker	0.120	1.75**	1.70**	1.82**	2.01**	2.32*
Plant & machine operators etc	0.108	1.28**	1.27*	1.29**	1.19	1.19
Labourer / related worker	0.129	1.00	1.00	1.00	1.00	1.00
Employment status						
Full-time permanent	0.726	1.00	1.00	1.00	1.00	1.00
Part-time permanent	0.092	0.86*	0.88#	0.87#	0.95	1.18
Casual	0.104	0.54**	0.60**	0.58**	0.71*	0.73
Fixed-term contract	0.078	0.85*	0.81**	0.77*	0.71*	0.76
Union membership						
Union member	0.509	1.13**	1.00			
Not a union member	0.491	1.00	1.00			

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Job tenure						
<1 year	0.168	1.00	1.00	1.00	1.00	1.00
1 year	0.108	1.11	1.12	1.22*	1.06	1.66
2-3 years	0.182	0.84**	0.84**	0.89	0.82	0.83
4-5 years	0.130	0.81**	0.83**	0.92	0.81	0.77
6-9 years	0.183	0.71**	0.72**	0.81**	0.65**	0.66
10-19 years	0.165	0.74**	0.72**	0.78**	0.67**	0.90
20 years or more	0.064	0.73**	0.68**	0.73#	0.88	0.51#
Influence over workplace decisions						
None	0.269	1.00	1.00	1.00	1.00	1.00
A little	0.306	1.63**	1.63**	1.64**	1.66**	1.70#
Some	0.298	2.11**	2.18**	2.29**	2.03**	2.96**
A lot	0.127	2.22**	2.35**	2.52**	2.72**	2.57**
Workplace size						
20-49 employees	0.199		1.00			
50-99 employees	0.232		1.01			
100-199 employees	0.221		1.09			
200-499 employees	0.178		1.12#			
500-999 employees	0.086		1.03			
1000+ employees	0.083		0.63**	0.69**	0.40**	0.33**

Characteristic	Sample mean (unwtd)	Exp (Logit) All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Firm size						
<100 employees	0.145		1.00	1.00	1.00	1.00
100-499 employees	0.211		1.24**	1.25**	1.21	1.55
500-999 employees	0.103		1.33**	1.26*	1.12	1.95*
1000-4999 employees	0.240		1.68**	1.66**	1.54**	1.81*
5000-9999 employees	0.069		1.75**	1.54**	1.55*	3.28**
10000-19999 employees	0.073		1.93**	1.91**	1.76**	1.19
20000 or more employees	0.159		1.41**	1.37**	1.28	1.49
Sector / operational status						
Private commercial	0.563		1.00	1.00	1.00	1.00
Public commercial	0.105		1.17#	1.22#	1.07	1.25
Private non-commercial	0.078		1.31**	1.20	1.52*	1.97#
Public non-commercial	0.254		1.14	1.02	1.16	2.48**
Location of workplace						
Capital city	0.716		1.00			
Outside capital city	0.284		1.00			
Foreign ownership						
Wholly Australian owned	0.758		1.00			
Partly foreign owned	0.108		0.88*			
Wholly or predominantly foreign owned	0.134		1.28**	1.29**	1.63**	1.41
Nature of market						
Primarily domestic	0.959		1.00			

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Primarily export	0.041		1.07			
Faces import competition						
Yes	0.191		1.09			
No	0.809		1.00			
Demand						
Expanding	0.558		0.98	0.91#	1.03	1.23
Stable	0.341		1.00	1.00	1.00	1.00
Contracting	0.101		0.91	0.87#	0.84	0.64#
Market competition						
Many competitors	0.317		0.94	1.00	0.79*	1.58*
Few competitors / no competitors / non-commercial	0.683		1.00	1.00	1.00	1.00
Capacity utilisation						
Above normal	0.258		1.02			
Normal	0.534		1.00			
Below normal	0.208		0.99			
Skill requirements (time to competence for largest group)						
Less than 1 week	0.054		1.00	1.00	1.00	1.00
Between 1 week and 1 month	0.220		1.08	1.00	1.08	1.97*
1 to 3 months	0.297		1.25**	1.17	1.22	1.38
3 to 6 months	0.189		1.29**	1.19	1.60*	1.71
6 to 12 months	0.123		1.54**	1.43**	1.73**	1.78
Over a year	0.117		1.36**	1.31*	1.12	1.62

Characteristic	Sample mean (unwtd)	Exp (Logit)				
		All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Major changes at the workplace to:						
Technology, plant, equipment	0.597		1.12**	1.11*	1.24**	1.07
Organisational structure	0.635		0.96			
Work practices & methods	0.520		1.12**	1.11*	1.23*	1.27
Union presence						
Non-union workplace	0.138		1.03			
Unionised but unions not active	0.488		1.00			
Active union present	0.374		0.92#			
Employee participation structures						
Semi autonomous work groups	0.442		1.01			
Quality circles	0.182		1.10#	1.12#	0.91	1.20
Joint consultative committees	0.508		1.10*	1.12*	1.10	1.28
Share of youth (<21 years) in total employment						
10% or less	0.843		1.00	1.00	1.00	1.00
11-25%	0.083		0.83**	0.87	0.63**	1.00
More than 25%	0.074		0.98	0.93	0.73	0.74

Characteristic	Sample mean (unwtd)	Exp (Logit) All employees (1) (2)	25-44 years	45-54 years	55 years or over
Share of older workers (>50 years)					
in total employment					
10% or less	0.590	1.00	1.00	1.00	1.00
11-25%	0.296	1.00	0.96	1.15	1.22
More than 25%	0.114	0.94	0.96	1.01	1.00
Priority assigned to HR					
Very high priority	0.273	1.48**	1.52**	1.46**	1.37
High priority	0.507	1.23**	1.27**	1.17	1.09
Not high priority	0.125	1.05	1.07	0.98	0.67
Low / very low priority	0.095	1.00	1.00	1.00	1.00
Industry					
Mining	0.035	1.65**	1.65**	1.57*	3.61**
Manufacturing	0.204	1.00	1.00	1.00	1.00
Electricity, gas & water supply	0.041	1.89**	2.20**	1.80*	1.31
Construction	0.028	0.94	0.87	1.28	1.91*
Wholesale trade	0.040	1.02	1.03	0.98	1.38
Retail trade	0.076	1.13	1.18	1.45	1.16
Transport & storage	0.042	1.22*	1.08	1.33	2.14*
Accommodation, cafes, etc.	0.030	1.21	1.26	1.18	1.98
Communication services	0.030	1.46**	1.57*	1.40	1.57
Finance & insurance	0.053	1.53**	1.54**	1.47#	0.25*
Property & business services	0.058	1.30**	1.40**	1.34	0.64

Characteristic	Sample mean (unwtd)	Exp (Logit) All employees (1)	(2)	25-44 years	45-54 years	55 years or over
Government administration	0.092		1.40**	1.57**	1.61*	1.13
Education	0.084		0.96	0.98	1.23	0.56
Health & community services	0.109		1.21#	1.22	1.54*	1.14
Cultural & recreational services	0.034		0.90	0.86	1.06	0.42
Personal & other services	0.045		1.29*	1.55**	1.78*	0.40#
Cragg-Uhler pseudo R-squared		0.093	0.138	0.132	0.168	0.290
Model chi-square		1192.1	1698.4	966.5	449.6	243.8
Prediction success (%)		65.4	67.4	67.4	68.4	71.2
Reduction in prediction error (%)		26.6	30.8	30.0	33.0	40.2
N		16848	15980	9518	3420	987

Notes: **, * and # indicate significance at the one, five and ten per cent levels, respectively in a two-tailed test.

Table 3.B2 Logit regression results – determinants of satisfaction with job-related training, 1995 AWIRS (all figures are odds ratios)

Characteristic	Exp (Logit) (1)	(2)	(3)
Age of employee			
15-20	1.04	1.10	1.07
21-24	0.96	0.99	0.98
25-29	0.89	0.89	0.91
30-34	0.82*	0.85#	0.84*
35-39	1.00	1.00	1.00
40-44	0.96	0.98	0.99
45-49	1.08	1.13	1.13
50-54	1.31**	1.31**	1.36**
55+	1.60**	1.68**	1.70**
Sex			
Male	1.00	1.00	1.00
Female	1.18**	1.16*	1.23**
Country of birth			
Australia	1.00	1.00	
Main English-speaking country	0.94	0.94	
Other country	1.12	1.10	
Language spoken at home			
English	1.00	1.00	
Other	0.96	1.00	
Aboriginal / Torres Strait Islander			
Yes	1.11	1.17	
No	1.00	1.00	
Long-term disability / illness			
Yes	0.81**	0.80**	0.82*
No	1.00	1.00	1.00

Characteristic	Exp (Logit) (1)	 (2)	 (3)
Number of dependent children (if female)			
No. of dep. children aged <4	0.90	0.91	
No. of dep. children aged 5-12	0.97	1.00	
No. of de[illegible]ildren aged 13+	1.04	0.90	
Number of dependent children (if male)			
No. of dep. children aged <4	0.88*	0.90#	
No. of dep. children aged 5-12	1.02	1.02	
No. of dep. children aged 13+	0.92#	0.93#	
Educational attainment			
Postgraduate degree / diploma	0.92#	0.93	0.95
Undergraduate degree / diploma	0.92	0.98	1.01
Associate diploma, adv. certif.	1.00	0.93	0.98
Skilled vocational qualification	0.94	0.91	0.93
Basic vocational qualification	0.92	0.86	0.88
Completed secondary school	1.00	1.00	1.00
Some secondary school	1.19**	1.21**	1.21**
Primary school	1.44#	1.41#	1.50*
Other	0.92	0.87	0.92
Occupation			
Manager	0.67**	0.70**	0.63**
Professional	0.61**	0.66**	0.57**
Para-professional	0.67**	0.72**	0.61**
Tradesperson / apprentice	0.85	0.84	0.84
Clerk	0.64**	0.69**	0.62**
Sales / personal service worker	0.77**	0.87	0.71**
Plant & machine operators etc	0.82#	0.80*	0.79*

Characteristic	**Exp (Logit)** **(1)**	**(2)**	**(3)**
Labourer / related worker	1.00	1.00	1.00
Employment status			
Full-time permanent	1.00	1.00	1.00
Part-time permanent	1.18*	1.16#	1.13
Casual	1.42**	1.44**	1.47**
Fixed-term contract	1.33**	1.35**	1.36**
Union membership			
Union member	0.77**	0.84**	0.78**
Not a union member	1.00	1.00	1.00
Job tenure			
<1 year	1.00	1.00	1.00
1 year	0.91	0.91	0.90
2-3 years	0.79**	0.78**	0.80**
4-5 years	0.86#	0.86#	0.89
6-9 years	0.81**	0.80**	0.84*
10-19 years	0.75**	0.72**	0.78**
20 years or more	0.81#	0.76*	0.82
Influence over workplace decisions			
None	1.00	1.00	1.00
A little	1.43**	1.46**	1.37**
Some	2.61**	2.64**	2.38**
A lot	4.37**	4.50**	4.02**
Workplace size			
20-49 employees		1.00	
50-99 employees		1.00	
100-199 employees		1.09	

Characteristic	Exp (Logit)		
	(1)	(2)	(3)
200-499 employees		1.19*	
500-999 employees		1.08	
1000+ employees		1.07	
Firm size			
<100 employees		1.00	
100-499 employees		0.91	
500-999 employees		0.96	
1000-4999 employees		0.98	
5000-9999 employees		0.99	
10000-19999 employees		0.87	
20000 or more employees		0.88	
Sector / operational status			
Private commercial		1.00	
Public commercial		1.03	
Private non-commercial		1.01	
Public non-commercial		0.84#	
Location of workplace			
Capital city		0.96	
Outside capital city		1.00	
Foreign ownership			
Wholly Australian owned		1.00	
Partly foreign owned		1.01	
Wholly or predominantly foreign owned		1.09	
Nature of market			
Primarily domestic		1.00	
Primarily export		0.89	

Characteristic	Exp (Logit)		
	(1)	(2)	(3)
Faces import competition			
Yes		1.01	
No		1.00	
Demand			
Expanding		1.01	
Stable		1.00	
Contracting		0.99	
Market competition			
Many competitors		0.93	
Few competitors / no competitors / non-commercial		1.00	
Capacity utilisation			
Above normal		0.99	
Normal		1.00	
Below normal		0.96	
Skill requirements (time to competence for largest group)			
Less than 1 week		1.00	
Between 1 week and 1 month		1.09	
1 to 3 months		1.02	
3 to 6 months		1.06	
6 to 12 months		1.11	
Over a year		1.16	
Major changes at the workplace to:			
Technology, plant, equipment		0.96	
Organisational structure		0.89*	0.91*

Characteristic	Exp (Logit)		
	(1)	(2)	(3)
Work practices & methods		0.95	
Union presence			
Non-union workplace		0.98	
Unionised but unions not active		1.00	
Active union present		0.90#	
Employee participation structures			
Semi autonomous work groups		0.88**	
Quality circles		1.09	
Joint consultative committees		1.00	
Youth (<21 years) employment share			
10% or less		1.00	
11-25%		0.87	
More than 25%		1.02	
Older workers (>50 years) employment share			
10% or less		1.00	1.00
11-25%		1.07	1.00
More than 25%		1.18*	1.14#
Priority assigned to HR			
Very high priority		1.30**	1.18*
High priority		1.17#	1.10
Not high priority		1.08	1.04
Low / very low priority		1.00	1.00
Industry			
Mining		1.00	
Manufacturing		1.00	
Electricity, gas & water supply		1.09	

Characteristic	Exp (Logit)		
	(1)	(2)	(3)
Construction		0.99	
Wholesale trade		0.79#	
Retail trade		0.83	
Transport & storage		1.04	
Accommodation, cafes, etc.		0.82	
Communication services		0.97	
Finance & insurance		0.84	
Property & business services		1.42**	
Government administration		1.22	
Education		0.85	
Health & community services		1.06	
Cultural & recreational services		0.98	
Personal & other services		0.83	
Predicted probability of training			1.65#
Cragg-Uhler pseudo R-squared	0.104	0.117	0.102
Model chi-square	821.3	880.8	784.4
Prediction success (%)	62.3	63.2	62.3
Reduction in prediction error (%)	23.6	25.4	23.5
N	10120	9601	9856

Notes: Sample restricted to employees who had received work-related training during previous 12 months.

CHAPTER 4

IDENTIFYING THE BARRIERS TO TRAINING FOR OLDER PERSONS: SUMMARY OF MAIN FINDINGS FROM FOCUS GROUPS

MAIN POINTS

- *Six focus groups were conducted between mid-September and mid-October 1999 to obtain in-depth information from older persons and human resource managers about their reactions to the main findings of the analysis undertaken.*

- *The presentation to the focus groups revolved around key findings from earlier stages of the project, especially the analysis of secondary data. Also presented were possible policy options for addressing the identified barriers to training.*

- *The reactions to the research findings varied markedly between the unemployed and the employed. For older job seekers, their perceptions of the value of training and their ability to access training were strongly influenced by the difficulties they were having finding work. For employed older persons, attitudes to the value of training and problems of access were viewed in terms of their job position and standing in the workplace. Nevertheless, widespread perceptions of age discrimination in and out of employment were common to both groups.*

- *To a person, the unemployed focus group participants affirmed the aggregate research findings as it accorded with their own experience. In fact, many felt a sense of relief that what they had been experiencing as a private or individual misfortune was part of a broader situation faced by a large number of others in their age group.*

- *Another reaction to the findings on the extent of joblessness among older persons was the expressed hope that their plight as job seekers would result in more attention from government than they had received in the past. In particular, several mentioned the low priority that they received from those who were meant to be helping them, such as employment service providers.*

- *Many of the participants in the focus groups for older job seekers saw little value in training that was independent of a particular work context. Indeed, for some job seekers, training undertaken independent of employment was a negative experience.*

- *The lack of a link between formal training courses for the unemployed and workplaces through a structured work placement was a specific problem mentioned.*

- *Age discrimination by employers in the recruitment and selection process was seen as a pervasive problem that lay behind a sense of futility in doing a training course. 'Recruitment won't look at someone over 45.' The older job seekers felt that they were coming up against the 'brick wall' barrier of their age.*

- *Discrimination against older job seekers was said to be practised not only by employers who were owner managers, but also by those recruiting and selecting staff on behalf of the employer. These included both internal personnel staff and external agents such as job network providers and other employment recruitment service providers.*

- *The specific barriers to training identified as applying to older unemployed persons are: the attitudes to learning of older persons; perceived low levels of formal educational attainment; the cost of training; limited time horizons; and discrimination by training providers in terms of access to courses and recognition of prior learning.*

- *For employed older persons, age was perceived as a hurdle to advancement in the workplace because of the discrimination practised by younger managers. In the view of older persons these managers saw older employees as either incapable of change or a threat because of their preparedness to challenge proposed courses of action.*

- *Barriers to training for older employees stem from both self-imposed barriers such as a resistance to move outside of one's comfort zone, fear of new computer-based technology and stage in the life cycle. However, other barriers to training for employees stem from managerial attitudes.*

- *The focus groups presented ample evidence that many older employees are prepared to be highly flexible by turning to self-employment to overcome the rigidity of managerial attitudes in particular workplaces and acquiring computer skills where necessary.*

- *Strong support, with some qualifications, was expressed by focus group participants for the concept of an individual training account. This was particularly so where it was introduced in conjunction with matching contributions from employers within a framework set by government to ensure portability of funds transfer between employers.*

- *Less support was expressed for a general program of raising awareness of the situation of older persons in the labour market in relation to employment and training. This was judged to be less effective than a more comprehensive proposed code of practice for employers and others such as training providers.*

- *A voluntary code of practice covering recruitment, selection, promotion, access to training and retirement/redundancy received support from the focus groups with some important qualifications. Among the human resource managers, some were not convinced that a code of practice was needed. However, other managers thought it a good idea but were adamant that it should be implemented on a voluntary basis through agencies that had a high credibility with the target audience.*

- *The focus groups of the unemployed strongly supported the concept of a traineeship-type arrangement for older job seekers.*

- *The responses of the unemployed focus group participants suggested that the capacity of older job seekers to access various forms of assistance such as training was variable. Different employment services providers appeared to offer different levels of intensive assistance, especially in relation to access to training. It was suggested that older job seekers should have access to a Service Charter that is publicly displayed at the employment services providers' premises and given to all older persons entitled to intensive assistance.*

4.1 Conduct of the Focus Groups

Six focus groups were conducted between mid September and mid October 1999. The main purpose of the focus groups was to obtain in-depth information from older persons and human resource managers about their reactions to the main findings of the analysis undertaken. The presentation to the focus groups revolved around key findings from earlier stages of the project, especially the analysis of secondary data. In addition, also presented were suggested policy options for addressing the identified barriers to training.

4.1.1 Composition of the Focus Groups

Five of the focus groups were conducted with older persons aged 45 years and over, and one focus group was conducted with Human Resource (HR) managers. Three of the focus groups consisted of participants who were older job seekers who had been unemployed, in virtually all cases, for more than six months. Two of the focus groups with the long-term, older unemployed persons were held in Bendigo, a regional city in Victoria. A third focus group with the long-term, older unemployed was held in a suburb of Melbourne. The main thrust of the discussions with these three focus groups was on the barriers to training and employment faced by older job seekers and possible policy options that Government could implement to improve their situation.

The two other focus groups consisted of either the currently employed or persons only recently out of work. These two focus groups concentrated on identifying the barriers to training for the employed older person and the policy options for addressing these barriers. One of these focus groups consisted of former middle managers now in an outplacement service. The other focus group involved mail officers of an Australia Post Letter Centre in Dandenong, Melbourne.

The sixth focus group consisted of current HR managers in large companies as well as an Assistant Director with the Business Council of Australia. The main purpose of the focus group with HR Managers was to present and invite feedback on the research findings of the project and the broad outlines of policy recommendations pertaining to enterprises that were emerging from the project.

4.1.2 *Background of Focus Group Participants*

The educational and occupational background of the long term unemployed participants in the regional focus groups tended to differ from the unemployed older persons in the Melbourne focus group. The Bendigo focus groups included four people with teacher qualifications, two others with other tertiary qualifications. Most other participants indicated that they had secondary education. Previous occupations included: teacher, public servant, personnel administrator, small business owner, clerical and bar work, community group coordinator, and work in hospitality.

The urban focus group included two with overseas qualifications (accountancy, technical college), one participant had a trade certificate, two participants indicated that they had completed Year 10 and two others stated that they did not have any formal qualifications. Other participants did not provide details of their education attainment. The occupations of participants ranged from accountant, bookkeeper, hotel management and marketing, Integration Teacher's aide, shop assistant, factory machine operator, fitter and turner, clerical work, administrative assistant, and warehouse and forklift operator.

The industry background of the middle managers focus group was mostly from manufacturing with a small number from service industries. Information on education attainment was not offered by participants. The Australia Post Letters Centre focus group included four mail officers engaged in the sorting of letters, a technician, a Training and Development facilitator and one person from administration. All participants except one were aged over 45 years.

4.1.3 *Conduct and Structure of the Focus Groups*

The specific issues addressed in the focus group discussions were based around a presentation of the research findings. Specific issues raised were:

- the types of barriers (system level, personal, family, employment and other barriers) facing older workers, aged 45 years and over, in obtaining and benefiting from training;
- the ways in which they, or others they know, have overcome these barriers or believe that the barriers could be overcome; and
- responses to proposed policy options for addressing these barriers.

4.2 Identifying the Barriers to Training for Unemployed Older Persons

The reactions to the research findings varied markedly between the unemployed and the employed. For the former, their unemployed status shaped all aspects of their attitudes to training as older persons. Their perceptions of the value of training and their ability to access to training were strongly influenced by the difficulties they were having finding work. For the latter group, attitudes to the value of training and problems of access were viewed in very different terms. Nevertheless, widespread perceptions of age discrimination were common to both groups.

The following analysis of the responses of the focus groups presents first the results of the three focus groups with mature-age job seekers. Section 4.3 then analyses the results of the focus groups concerned with the situation faced by older employees in relation to training. Finally, section 4.4 discusses the reaction of all the focus groups, including the focus group with HR managers, to a range of possible policy options.

4.2.1 Older Job Seekers and the Labour Market

As the focus groups with the unemployed started with data on the situation facing older people in the labour market, the initial point of discussion was on the difficulties faced by older job seekers. The presentation highlighted the increase over the last 20 years in the numbers of active job seekers, and the significance of the numbers of discouraged job seekers and the longer duration of joblessness experienced by older job seekers. The increased level of part-time work, especially for older men was noted, as was the high proportion of older people in part-time work that wanted to work more hours.

Relief to see their personal plight part of a broader set of trends

To a person, the unemployed focus group participants affirmed the aggregate research findings as it accorded with their own experience. In fact, many felt a sense of relief that what they had been experiencing as a private or individual misfortune was part of a broader situation faced by a large number of others in their age group.

> *It is not surprising to see the numbers of people discouraged. The worse it gets, the worse it gets.*

Moreover, the fact that these research findings also suggested that older job seekers were, in many ways, experiencing levels of disadvantage in the labour market on a par with the better publicised problems faced by school leavers was also welcome news to participants.

Need for help agencies to give more recognition to situation facing older job seekers

Several commented that they hoped that their plight as job seekers would result in more attention from government than they had received in the past. In particular, several mentioned the low priority that they received from those who were meant to be helping them, such as employment service providers.

> *A lot of the agencies purporting to help mature age job seekers aren't that interested. This attitude compounds the problem of low self-esteem of older people.*

4.2.2 *Perceptions of the Value of Training to Older Job Seekers*

The value of training to older job seekers is linked to work

Many of the participants in the focus groups for older job seekers saw little value in training that was independent of a particular work context. Training and learning was seen in a more positive light when it was linked to the requirements of a particular job. For many participants, training required a context to be seen as useful or worth the effort to invest time and effort. Few focus group participants regarded training or even learning as a good thing in itself. Their attitude to training was largely instrumental. It was a good thing if it got them into paid work. Training, in the opinion of many older job seekers, was only worth undertaking if it was part of the requirement of a job.

> *A lot of training being offered is not what unemployed people want. They are told to do this training on this day at this place. Training is [often] in the wrong area.*

This attitude was expressed by one long-term job seeker as a Catch 22 situation: he was willing to do training that is relevant to getting or keeping a job but he could not get a job to be able to do relevant training. In other words, he did not see any value in training because he did not have a job but he could not get a job because he did not have the right skills.

Another participant also used the Catch 22 analogy in relation to training:

> *If you were asked to do more training you would be silly to say no. Older people have a lot of experience but when you have been unemployed employers say, "You're too old, I'll only get another ten years out of him. Younger people will stay longer." Even those with good qualifications in the group can't get a job. This is a Catch 22 situation for older people.*

Another participant also referred to the Catch 22 situation facing the long-term unemployed in relation to training:

> *They gave places to people already employed and in that field. Catch 22: If I had a job I could do that training, but I can't train because I do not have a job.*

Training as a frustrating experience for job seekers

Indeed, for some job seekers, training undertaken independent of employment was a negative experience. The expectations raised initially by undertaking courses that were judged to be relevant by the job seeker and/or their case manager were dashed by the experience of participating in unsuccessful job interviews. Despite their recent participation in training, many focus group participants spoke of still being judged as not suitable for employment. A woman in her fifties in Bendigo offered the following assessment of the limited value of training to her:

> *My life changed drastically three years ago and I had to find work. I have done a lot to further my education and every employment agency I go to*

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> *say why don't you do this as well. Interviewers for specific jobs comment 'but you have not got experience in this particular job', and I'm out of it. The fact that I've done six or seven different courses [does not count]. There does not seem to be an understanding [by the interviewer] that I may be able to apply something I have done into a different situation.*
>
> *Financially things are getting worse. My husband is about to have a bypass operation. I can't get past [the repeated response from employers that] I haven't got experience in this particular job. I started to look three years ago, and got demoralised. So I did drop out and just continued to do courses and training for my own development. Things have deteriorated to the point where it is important to achieve something. I have done courses in desktop publishing, business, spreadsheets, database and accountancy. Interviewers always ask me if I have experience in some other software program. I can't help feeling it is just an excuse because of my age. I've just done three weeks with the education department on their computer program but as I have not been working in these areas, there are better qualified people than me.*

One participant stated that despite the number of training courses she had undertaken since being retrenched, this could not overcome what in the view of prospective employers was her lack of experience. She had completed courses in travel consultancy, hospitality, receptionist skills, customer service and computing. She went on to say:

> *The longer you are out of work, the harder it is. No one wants to give you a chance. Even for a sales assistant position. How much experience do they want. Training seems to get me nowhere. ... Even though I have been brushing up, they do not employ me. I did the job skills training course for six months including working in a dress shop. I did a one-week course in learning a payroll software package, which the government paid for, but the course providers did nothing to help the participants into work.*

Another aspect of the views of older persons on their quest for work was their concern that, with their low levels of formal education, they were not even in the same race in the competition for jobs.

> *Now there is a lack of jobs for the numbers of people applying for them. You need a piece of paper to say you are qualified. I offered to work on a voluntary basis to show I could do the work. You need to be able to show employers that you have the paper qualification even if you know that you can do the job.*

Training not linked to paid work

The lack of a link between formal training courses for the unemployed and workplaces through a structured work placement in a real workplace was specifically mentioned. One unemployed focus group participant commented:

> *People are reluctant to train. Having trained, there are so few jobs — they are discouraged from training.*

Another participant, a man in his fifties, spoke of his frustration in undertaking a course in coach driving, at some considerable expense to himself. However, although it provided realistic work experience such as driving a coach through Melbourne while giving a running commentary, the training was not linked to a specific employer:

> *You need to show employers that you have the skills. In Bendigo, the service industry is a big business. The courses are not connected to employers. TAFE in Bendigo have got courses for everything. It is an absolutely mushrooming business with no connection to employers. They do connect to employers where people are already employed and are training at the employers' expense. But as far as training for the unemployed [is concerned], I do not know of any courses connected to employers. The training industry is a lot of private people lining their own pockets at the expense of the unemployed when they know there are no jobs.*

Training of little value in the face of age discrimination

In response to a general question about what are the barriers to training experienced by unemployed older persons, the most common reply was lack of work. To many of the unemployed participants, the most significant barrier to viewing training as a worthwhile activity was the perception that it did not help improve one's chances of getting a job due to age discrimination.

One of the male participants commented that age discrimination was a pervasive problem that lay behind a sense of futility in doing a course. 'Recruitment won't look at someone over 45.' Another participant commented that she could not update her nursing qualifications as a nurse because she was over 40.

> *The training issue is a minor issue regarding barriers to older workers. In my experience, training isn't the issue. The older you get, many employers are younger than you. The perception is that an older person will be more difficult to work with.*

4.2.3 Age Discrimination and Older Job Seekers

In all of the focus groups, from the long-term unemployed, to the managers recently out of work, to a recent employee of Australia Post, age discrimination in the hiring process was repeatedly mentioned. Furthermore, there was a widespread perception among the unemployed participants that it was not only employers who discriminate against older people, but also training providers such as TAFE, and employment services providers (both government and non-government providers alike).

The participants felt that they were coming up against the 'brick wall' barrier of their age. One participant demonstrated this by recounting his own experience. Due to his appearance, he was able to present himself as a younger person than he, in fact, was. He had lied to employers about his age and reduced it from 47 to 37 in order to get a casual job. In his opinion, selection for the work had not been based on his skills, but had been influenced more by what the employer had believed was his age.

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There was a sense of frustration and anger among participants, at not being given a chance to show what good workers they, as older persons, could be. There were many examples of poor service, rudeness and lack of respect from younger employees that contrasted with their approach, which was to do 'a decent day's work' and be polite and courteous. As one participant commented:

> *There is not only a prejudice against older people; there is a prejudice in favour of younger people.*

Another participant noted that references were not enough:

> *You use your referees and references but they do not call your referees once they know how old you are.*

Yet another participant, a former senior manager, described his personal experience at a job interview on the preceding day. It was a job where he would be in charge of 'outplacing' 40 people. The reason the company wanted to outplace them was because they were in their fifties. He was asked whether he had any experience in handling challenges to redundancies in the courts!

Discrimination at recruitment and selection stage

Most participants saw discrimination operating in the recruitment and selection process. The discrimination was said to be both crude and subtle. The crude versions showed in a variety of ways: job seekers were asked for their age over the phone, and young people conducting interviews did not appear interested in the job applicant's experience.

> *There are a number of factors that make it difficult for older people to get work. There is an informal culture which accepts discrimination on the basis of age. Nothing is ever written down.*

Comments were made about the lack of skills of people interviewing for positions.

> *Often young people interviewing do not know what questions to ask. Some participants reported being asked how old they were or if they were married during a job interview.*
>
> *Interviews are conducted inappropriately and are very unprofessional. There is a need for criteria for interviews. People do not have interview skills. I have been in interviews with 35 people interviewed together in a room. They do not know anything about you. It is unprofessional.*

Another participant who was a qualified accountant had been told that because she was a qualified accountant she was over-qualified for bookkeeping. Several participants noted that advertisements for positions they had been interviewed for reappear, which they took to mean that the employer did not want an older person.

One participant indicated that at one interview attended the only question asked was: 'Tell me about yourself?'

> *When I told them about my experience and qualifications, they switched off.*

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Comment was also made that selection based on competence is not common practice. One participant noted that young people doing the selecting often select people like themselves.

One of the focus group participants was a recent recruit to Australia Post. She had previously been employed with an airline as a member of the cabin crew. Her husband's cancer and his retirement on medical grounds four years earlier, had made it essential for her to find paid work again.

> *I found it very hard being an older person to get a job because firstly no one would ever answer any resumé I would put in. And I know it was my age. No one would want to look at me even to find out what I looked like ... it is an experience that puts you back inside yourself. ... I found that very hard but I was not going to be beaten and I never will be beaten.*

Another participant commented that the feedback provided to her following failure to secure a job was that she was regarded as too aggressive. She attributed this to the fact that she actually dared to ask questions about the job during the interview.

> *I was coordinating childcare for a community needs program. I applied for a position in the same service, which I did not get. The interviewers asked inappropriate questions and had an inappropriate approach to a mature and experienced person.*

Discrimination by some employment services providers

One participant noted that the two government employment service agencies she had gone to were inadequate in terms of their interview technique. The woman who interviewed her was rude, ill mannered and off hand. She felt quite put down. The other government agency took her resume and asked her if she was still looking for work.

> *Most people working in employment agencies are young and lack sensitivity to older people. If you are 45 and over and are used to being respected by younger people it is hard. Centrelink is very guilty. I applied for a job at Centrelink; it was the most demoralising experience I have ever been through. I went through seven interviews (20 out of 32 selected). It was a terrible experience that destroyed my confidence. The only older people serving at Centrelink are on the age pension counter. Young people serving at Centrelink have limited life experience. Centrelink staff tend to be insensitive and unresponsive to the unemployed. They should respond with empathy and understanding. Why do they employ people who can't relate to those they are supposed to be helping.*

Subtle forms of age discrimination

The forms that discrimination takes for job seekers can also be subtle. Several participants commented on the physical differences between young and older job seekers and the disadvantage suffered by those with obvious signs of ageing:

> *... age discrimination is very easily disguised. Instead of saying they are too old they find some other reason such as 'their neck wasn't crisp*

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> *enough'. You can easily manufacture reasons. You are washed up after 45; this is definitely an unstated understanding [among job interviewers].*

The focus group with mostly recently unemployed middle-level managers noted that the discrimination was often practised by recruitment consultants rather than directly by employers themselves:

> *Now most jobs are not advertised. Employment agencies/consultants use very narrow criteria for selecting people for positions. For example, the criteria are as narrow as: attended Melbourne Grammar, MBA, aged 35. They are very rigid in their thinking and are often older themselves. They get away with using such narrow criteria for selecting people because there are so many people looking for employment.*

Discrimination can also come in the form of attitudes about the place of older people in the labour market held within the community more broadly. The following comments, from two women, reflect such attitudes:

> *Society pressures older people to give up work. The attitude of the wider society is: old ladies bring a plate and look after your grand-children so that son or daughter can work. Even friends of mine in the workforce are now retiring and say what is the matter with you still wanting to work.*

> *Taking up a new career path at age 45 plus is not encouraged. Society puts pressure on older people too. There is a lot of pressure to relax, retire, give the job up for young people or men — a big issue for older women.*

There is also the perception in the community that those over the age of 45 years no longer have dependent children to support and have paid off their house so are assumed to not need to work as much as those in younger age groups. However, this common view was challenged by the situation recounted by several participants. The focus group noted that different demands at different stages of their lifestyles have changed.

> *They [employers] do not realise the ongoing financial and family responsibilities facing people in their forties and fifties such as adult children still living at home, mortgage payments and a spouse out of work.*

Older job seekers and soft skills

Many older people with no recognised skills or post school qualifications mentioned that they are often competing against young people for basic service jobs. A characteristic of these jobs is a strong emphasis on person-to-person, 'soft' skills. Many of the participants felt that older people were not presenting well in terms of the less tangible attributes of flexibility, enthusiasm and a strong futures orientation. One woman participant commented:

> *Employers now want people who show they are committed to the organisation or the job. This requires people to show a degree of enthusiasm. Young people are more likely to show enthusiasm. Whereas older people are more likely to be their own people, know their rights.*

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Another older woman who had been looking for work for some time commented that she had been asked in a job interview where she wanted to be in five years. Her answer was that she did not know what she would be doing she just wanted to work. She was told by an interviewer that she was not aiming high in career terms:

> *I just wanted an income. All my life I have done things out of interest. [But] Employers are [now] looking for commitment.*

4.2.4 Barriers to Training for Older Unemployed Persons: Attitudes to Learning

The self-perception of older persons about their own lack of capacity to learn was mentioned by several participants as a barrier to training. The reasons given by focus group participants for this self perception were several: mental inflexibility; resistance to new technology in general and computers in particular; and concern about their lack of appropriate educational qualifications compared with younger age groups. These reported attitudes suggest that some older people may have a low opinion of their efficacy as learners of new approaches to work.

One older, employed participant commented that there is a common perception among older employees that there is no need for training.

> *The problem is that many older people are not capable of performing new skills.*

Other employed participants also noted that many older people displayed a resistance to technology. It was also noted that this was often combined with a self-perception that older people did not see themselves as having enough time left in the workforce to get a reasonable return on their investment in acquiring new skills:

> *With older people, you can see a resistance to technology. Jobs in sales or computers are not seen as valid for them. To do this computing training at 55 is not seen as a driving force as they feel they are too old and near retirement.*
>
> *With older people too there is possibly a bit of resistance to technology if you have not got particularly high schooling levels and all the jobs these days are in sales work or computer work which a lot of older people do not see as valid for them. Then you try to get them to do training in those sorts of skills obviously they are going to be resistant to it because it does not seem like a real job or relevant to them. To have to do computer or high technology training at age 55 you think why bother. By the time I do the training and get used to it, I'll be too old to work any way.*
>
> *People who are more self-reliant use up all their resources. I think about what can I do to help myself, but every avenue has been exhausted. Others, who have been in the same job for thirty six years, cannot organise themselves.*

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4.2.5 Barriers to Training for Unemployed Older Persons: Self-imposed Barriers

> *People suggest that I go back to the education department to have skills and qualifications updated. My qualifications are out of date now. I would have to do more training. Even if I did retrain, they won't employ a 55 year old for five years.*

Another participant (in his late 50s) said that most of his work life has been spent as a trainer and as training is not regarded as core business, it was contracted out by his last employer.

> *When I now look at job advertisements for a trainer that require a Level 4 Trainer certificate and ask myself: Should I do the course which now costs $2000? If I do it, will I get a job and enough return. I want to keep myself occupied and I still want to contribute. I have a lot of experience: what are my chances?*

In reaction to the range of difficulties identified by the unemployed focus group participants in finding work, one middle-aged woman said that older job seekers needed to be more proactive and to look at emerging areas of need and respond accordingly:

> *You have got to do something for yourself. Get a resumé and take it around to different places.*

Another participant who was retrenched at age 61 (and is now 62) pointed out that a TAFE course might be cheaper if you have qualifications and recognition of prior learning.

> *But you have to ask is it worth spending the time and effort if you get nothing?*

A perceived low level of education of older persons is another aspect of self-discrimination.

> *You're too old; I'll only get another ten years out of him. Younger people will stay longer. Even those with good qualifications in the group can't get a job. This is a Catch 22 situation for older people.*
>
> *There was no discrimination regarding training. Jobs were advertised internally. Those with degrees got the job. The discrimination was on the basis of tertiary education. Age and a lack of tertiary education are the barriers.*

One middle manager focus group participant commented that those without tertiary education often lack the ability to put things into frameworks and hence, in his view, can lack flexibility. Another participant in the same focus group confirmed the validity of this comment. She was currently taking a refresher course in nursing and made the point that when she first trained the learning was done by rote. Now, the course is conducted at a tertiary institution and she is studying with many other women in their mid 40s and early 50s. They now have academic frameworks and ask different questions. The fact that she had already completed a tertiary qualification made it easy for her to apply her more general capability to solve problems.

> *People who have not been exposed to research and problem solving training do not see the need to train. They lack that broader understanding of how you learn.*
>
> *Context and framework are critical. As people move through their formal training, for example, in mineral processing there are new mines about to open. In Queensland, an old model was applied as a solution to a problem and it did not work. The management did not have the skills to solve the problem.*

All of the above is not to suggest that older people cannot change. As one woman who had been a middle manager explained: 'having time off after redundancy after working full-time for 26 years is good'. She had decided to return to nursing and was undertaking a University-based course to update her qualifications.

> *It makes you change your attitude. The government can help foster a change in attitude among older people.*

4.2.6 Barriers to Training for Unemployed Older Persons: Cost

Costs such as transport, books and other stationery, childcare particularly during school holidays were all mentioned as cost barriers to undertaking training. The cost of courses were said to vary from $160 for a small business course at TAFE up to $500 for a yearlong course.

> *No way I could pay an up front fee out of my single parenting allowance. There is also the cost of childcare. Because I could not afford childcare, I would also be worrying about what the children are doing while I was training.*
>
> *Cost of clothes, petrol, transport, phone calls. You don't have flexibility or options if you don't have an income.*
>
> *You are talking to a group who cannot afford to get up in the morning. Leaving the house incurs costs. That's another reason why people might not train because the costs of clothing yourself, transport are not offset. They pay you the dole to sit there [in training], [it is] better than being slapped down all the time.*

One participant had invested in his own training but felt frustrated when it did not lead to employment:

> *I was involved in a course like that where I had to put in a substantial amount of money. There was still no job at the end even though it was subsidised, but it still cost me a substantial amount of money. A coach captain's course at Shepparton. The cost was $400. The government subsidised the course but I still had to pay for transport and*

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> *accommodation in Shepparton and I still do not have a job at the end of it. I put in time and money and still do not have an income.*

There is also the cost barrier due to the absence of financial reserves. One older person who had been looking for work for seven years had an interest in learning more about computers. He had done several courses and intended to start a yearlong course in the next year. However, he had to sell his computer to reduce his debts. He went on to explain the cost barriers he is facing:

> *I was in a narrow field. I have tried to train through continuing education. I can't afford TAFE training. You have to get work to get the training. It cost $500 for a course I wanted to do. I could not afford the course. ... It costs $80 for a Council for Adult Education (CAE) Course, but the CAE is not [does not offer] professional [-level training].*

Other unemployed participants also commented that so many courses required computers to complete assignments etc. No one in the focus group of unemployed older persons in Melbourne had a computer at home. There was a discussion about needing to borrow a computer particularly if 'you are doing a TAFE course, as you cannot hand–write assignments'. They discussed the possibility of access to computers at libraries, but several said that they found that often the waiting times were too long and the booking times were too short. One participant said that his employment service provider gave him access to a computer.

4.2.7 *Barriers to Training for Unemployed Older Persons: Discrimination by Training Providers*

Another unemployed focus group participant was a qualified psychiatric nurse/mid-wife who had worked in the area of caring for the intellectually disabled. She wanted to update her knowledge through acquiring recent clinical experience. However, she had encountered a barrier when she tried to enrol in a one-year enrolled nurses course. Her previous training as a three-year trained nurse was used as a reason for refusing her entry to the one-year course. She was told that she was lowering herself by doing the one-year course.

> *There is no update for a general nurse unless I go to college for three years and two thousand dollars. I am only two years off the age pension. It is a waste of effort and money. There is nothing available for retraining in clinical practice other than the three-year course. If you are unregistered, you can't do a retraining program or get work. I like basic nursing and want to train as a nursing assistant.*

Another older woman encountered the following reaction from a TAFE course coordinator:

> *Why should you take up the resources which younger people need? That made me step back and made me conscious of approaching people for training.*

Several unemployed regional focus group participants commented that there was not much assistance on offer from the TAFE Colleges.

> *Some TAFEs get a lot of applicants and this means waiting to do the course.*

4.2.8 Barriers to Training for Unemployed Older Persons: Lack of Recognition of Prior Learning

The barriers to training experienced by older people also include lack of recognition of prior learning.

> *Some of the training courses advertised provide certificates when people already have the required skills. For example, carers now need a personal carer's certificate from TAFE. I've been a mother, carer, et cetera, but have no recognition of my caring skills.*

Two unemployed regional focus group participants commented on the need for professional groups responsible for training to recognise prior learning in relation to nursing and caring.

Barriers to entry to appropriate courses were also mentioned. In relation to nursing, one participant commented that she had only been out of nursing for five years. She claimed that she did not need three years of university education to get back into nursing.

> *Prior learning needs to be addressed in nursing. I have spent a lifetime in gainful employment. We don't ask for much.*

4.3 Barriers to Training for Older Persons in Employment

4.3.1 Barriers to Promotion for Older Employees in the Workplace

One middle manager participant commented that, when it comes to a final decision regarding selection for a promotion, age is a factor.

> *There is no discrimination [within the workplace] in terms of access to training. In clear conscience, they provide training, but when the job is advertised, age is a factor in the selection process.*
>
> *The training issue is a minor issue regarding barriers to older workers. In my experience, training isn't the issue. The older you get, [you face the problem that] many employers are younger than you. The perception is that an older person will be more difficult to work with. In the workforce,*

> *a significant factor underlying a leadership position is competency. You think I must be more competent because I am older. Once you get to 35 or 40, you have got to where you are going to go. [Another problem in relation to promotions is that ...] the older you get, you expect to earn more than a younger person.*

Another view from a middle manager was that younger people at senior levels in a company could be frightened by 'silver power'.

> *Companies do not want you as an employee because there is a fear that you may be less compliant than a younger person. However, they are often happy to have you as a consultant. As a consultant, you are outside of the politics of the organisation. Once you are a consultant, you are on equal part with the management. Personally, I'm fortunate I have my mortgage paid. Now I'm independent.*

In response to this view of how older people in the workplace might best position themselves, another middle manager picked this up and articulated the option of self employment as a consultant offering services to a number of workplaces as a more general option:

> *Employers want to get rid of fixed costs. There is a need to avoid reliance on having a permanent position at age 45. There is a need to position ourselves to look at working on the basis of our skills for a number of employers.*

4.3.2 Barriers to Training in the Workplace: Older Employees and Resistance to Change

The focus group with Australia Post employees, as noted above, highlighted the problem of inflexibility of older workers in the workplace. It was claimed that 'a change to routine can disrupt the comfort zone' of established workers. One example cited is the reaction to the request from management to change the shift start time.

> *'Why should I change my shift?' was a common reaction in response to a small change from 1 pm to 2.30 pm to better realign work times with the arrival of mail. Many people got up in arms of this change and showed considerable stubbornness. Their stubbornness really came out.*

A participant from the other focus group described the following incident from his workplace:

> *One fellow who had been on the factory floor for thirty years went bananas when management tried to introduce a new, more modern machine. He would not touch it. It was as simple as operating a TV remote control. This story shows differences in attitudes to learning according to age. When asked to do something that requires another reference framework, older people are more likely to resist.*

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Other Australia Post focus group participants responded to this anecdote by offering supporting comments:

> *The older they are, the more likely they will have health problems, their brain does not work as well. Older people are less likely to move to other jobs.*
>
> *Older workers are often reluctant to adapt to changes. A lot of the older workers are terrified of the whole thing. It terrifies them. They are sort of in their comfort zone. They are happy doing the same thing they have been doing for the last twenty years. And suddenly enters a dramatic change. They are just terrified of the whole thing.*

Another participant agreed that young people are seen as more flexible.

> *The older worker says 'we have seen this all before'. As a result, they are likely to resist change.*

Reasons for stubbornness

The Australia Post focus group discussed at length the reasons behind the stubbornness of some older employees. One reason offered is that older employees can build their lifestyle around the times they are working. So, a change to shift start times is a significant change for them. It was also pointed out that there is a history behind that where the mail centre shift times have changed several times in the last five or six years. Another alteration to start times is seen as part of in a series of recent changes that requires them to alter their life styles yet again.

Another factor offered in discussion to help explain the stubbornness of some older employees was the rate of technological change in the workplace.

> *In Australia Post, we have modernised probably at least five times in the last twelve years in terms of systems and technology.*

It was also noted by one participant that there is a tendency for people to specialise in one particular type of activity. However, for older employees, technological change can take away the need for the specialist skill they have cultivated over a considerable period of time. With the sudden disappearance of the manual skill of sorting mail, for example, the standing of older employees among their peers falls because they are no longer seen as having a high level of proficiency in how they do their work.

> *A defensive response to the technological change is to try to stay with the core skill you are good at and increase the value of that so that training becomes less necessary. However, the problem is that once the technology leaps over you and your speciality becomes obsolete, you are behind the eight ball twice.*

Cynicism about what has been trialed and attempted in the past was identified as another factor helping to explain stubbornness.

> *People on the earlier occasions have made an effort to adapt to the changes but the initiative has fallen flat. This has happened a number of*

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> *times: people have started something with enthusiasm and then it has just fallen flat and it has gone back to where it started from. They are not interested in any more training because [they believe that] it is just going to go flat again. I think that the cynicism is there because people see things start off and all the training is provided but they never get to use it. They go half way through the training and then it stops again.*

Another participant suggested that a further aspect of the poor response of some older workers to change is the suddenness of the change required. The participant also noted that there is often also cynicism about the motives of those in management advocating the need for training. 'You just can't see a clear picture of where the benefits are meant to lie.'

4.3.3 Barriers to Training in the Workplace: Older Employees and 'Soft Skills'

A former middle manager aged 62 noted that technical training was always available in his workforce for employees regardless of age. But in relation to:

> *...training in the "softer issues" [involved in] customer relations — how you treat people — there is a perception [by some management] that it can clash with older employees' values.*

4.3.4 Barriers to Training in the Workplace: Self perceptions of Older Employees and the Value of Training

> *Factors influencing their behaviour towards training stem from attitudes which in turn stem from the life phases they are going through.*

In trying to explain the research finding reported to the focus groups that older workers do not believe that they need training, it was suggested by one Australia Post employee that young people have a greater incentive to undertake training because it is clearly linked to getting work. The participant noted, for example, that his 24 year old son who had been unemployed for three years had shown such motivation by undertaking a six-month TAFE course recently, paying for it himself with help from the family.

> *He did this to get more qualifications. So, what is stopping a 48 year old from undertaking further training to get work?*

However, another participant pointed that the older persons do not think more training will help, as they believe that they are excluded based on age. According to the Australia Post employee, the acquisition of recent skills is not seen as sufficient reason by employers to overcome the age barrier.

4.4 Responses to the Policy Recommendations

Four major proposals were presented to the focus groups for comment. These were:

i. the concept of an individual learning account;

ii. raising employer awareness of the needs and capabilities of older persons;

iii. a voluntary code of practice for employers on recruitment, selection, promotion, access to training, redundancy and retirement; and

iv. a traineeship type arrangement (structured training combined with subsidised employment).

A fifth proposal emerged from the initial focus group discussion and was covered in subsequent focus groups with the unemployed. This proposal related to how older job seekers in intensive assistance could be provided with more information to place them on a more equal footing with their case manager.

4.4.1 Individual Learning Accounts

The concept of an individual learning account was outlined to focus group participants. The presentation noted that a key element of the concept is the promotion of the individual's responsibility over a lifetime for investing in his or her own learning and skills upgrading. However, it was also emphasised that other stakeholders would also need to be involved such as employers and government. The model for a joint approach involving individuals, employers and government is superannuation where individual contributions are matched by employers with government providing the legal framework that underpins portability and a favourable tax rate.

Information was provided on how the concept works in the UK as outlined in Chapter two. The presentation also made reference to a training entitlement mentality in Australia. It was pointed out that industrial awards rarely, if at all, specified an employee's obligation to invest in their own training. This was contrasted with an approach now promoted by governments in Australia, the UK and the USA that emphasises the need for individuals to take greater responsibility to manage risk during their lifetime.

Three types of responses to the individual learning account proposal were identified: supportive, critical and qualified. The following analysis is based on the participants' feedback on the proposal.

Supportive

> *Something like this is needed for the future. Lifetime jobs have gone. Now there are no secure positions. You have to make career changes on a regular basis and you need advice to do that. Employers will not employ people who are not employed. People will have to be aware that they will have to retrain. Increasingly people [employers] will say – 'What are you doing to improve your career prospects'? (HR Manager).*

> *Things have changed dramatically. I was in secure position for twenty years. But things have changed dramatically; the expectation is that you will move on. People say that you can't have much initiative if you have been there a long time (HR Manager, recently appointed to a new job after a period of employment).*

> *... you need your own set of expectations about what you want ...(HR Manager)*

The concept that individuals need to put money aside to invest in upgrading their own skills was accepted. However, it was also emphasised that people need to look at the ways employers can contribute.

> *The benefit to small business is likely to come from encouraging employees to move away from an entitlement mentality. The employer is likely to respond favourably if they know that it is a joint effort (HR Manager).*

> *The problem is that the entitlement approach creates a narrow form of training. The employer says I am only going to fund something that is going to be of immediate benefit to the enterprise. The employee on the other hand says I am forced to do this training because it is only for the benefit of the business. There is a need to break out of this narrow transactional approach to training (HR Manager).*

A HR manager with a background in the health sector noted that it is accepted that to remain registered, there is a requirement for medical practitioners to engage in Continuing Medical Education. Professionals require continuing upgrading of their knowledge. The professions provide a good model for continuing learning.

A participant in the HR managers focus group mentioned BHP's pathways program in relation to retrenchments. It operates based on mutual obligation. The employer has a responsibility to an employee to offer them an infrastructure to optimise their re-employment opportunities.

> *It was the employee's responsibility to take up those courses and get involved in training. For example, a person being retrenched by BHP wanted to buy a forklift and set a business with a mate. They said to him to go out and research the best price for a forklift training course and they funded the course that he selected.*

Another HR manager made the point that lower costs of training does not appear to have had much effect in encouraging a higher take-up, but individual learning accounts could alter this.

> *You can go to TAFE and pay a dollar an hour. However, the idea of a free good is not being responded to. The idea of giving them something, an amount of money, is a psychological incentive. Some of the TAFEs are handing out vouchers, saying here is $400 worth of training. And people are getting motivated to use the vouchers. It is just a way of saying I have*

> *it in my piggy bank. I now feel motivated to use it or lose it. I think [the individual learning account] is a useful idea.*

Another HR manager, after arguing that the Metal Industry Award with its competency based job-classification structure was sufficient incentive for low skilled workers to train, stated:

> *What is not there is an amount that clearly says to the individual you use it for training (eg. as in the case of Lend Lease and its $1000 per employee per year to encourage individuals to spend on learning). Currently competency-defined job structures are not used for training. Employers see it as too hard, too expensive; it is cheaper to buy in already trained people.*

Critical

Some caution was also expressed (by all HR managers) about the incentive effect of the individual learning account:

> *But after 40 you have had it, it is that brick wall. Was the £150 a yearly or once off payment? The cost of a TAFE course would soon take this amount away. There is also a problem that the amount a person had saved in their account could be used to discriminate against them in promotion or recruitment if they had not saved anything. It should [also] address the problem of people who cannot afford to undertake training. Would the funds be needed to cover TAFE admin fee if they are disadvantaged?*
>
> *Would it generate more bureaucracy like the levy and superannuation now?*
>
> *You need to start from the perspective from the employer and the employee: why would they be committed to it? From our company's perspective, we have answered that question by setting up a performance appraisal system that is purely based on peoples' competencies for all of our executive level and senior managerial level. It is slowly being introduced at the trades level. As a result, we hope that employees will have a vested interest in getting their training up because they will be assessed on their competency.*
>
> *An appraisal system based on it automatically gets buy in to the organisation. In our company, the whole justification for training is now based on the appraisal system. So, you now automatically have a buy-in from the employer and the employee.*

The concept of the individual learning account was also challenged by a HR manager as not being applicable to low skilled workers.

> *If you are talking about people on the factory floor, they are in a situation of being low skilled, they are struggling from day to day, they have a survival mentality and are not looking at the long-term. They are not*

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> *going to invest and motivate themselves to train. Sixty per cent of our working population are in that sector. We need to develop a system that sends a signal that training is important to these people. There is a need for a system that says if you do not invest in training you will find yourself in trouble further down the track.*

Qualified support

> *My eldest son has been saving since he started work and he is constantly updating and training. This [proposal, however] does not address our generation. Our children yes, but not our generation (Australia Post employee)*
>
> *If the concept was made part of enterprise bargaining, would a wage increase include a contribution to the fund? Do you get it back at the end [of your working life if you do not use it for training]? (HR Manager)*
>
> *If you do not use it, would you forfeit it? (Australia Post employee)*
>
> *If part of your enterprise bargaining, could you transfer it to your children? (Australia Post employee)*
>
> *Attitudes to the learning account may be influenced by [a person's] stage in life. At older ages, employees may not be interested in putting money aside for this purpose. However, if the purpose is broader to include learning directly related to activities post retirement ... the use of the fund may be more attractive. (Australia Post employee)*
>
> *Would it apply to smaller businesses? How would the learning account concept help smaller firms to catch up? The more successful the company, the larger the employer contribution as in super so small firms may contribute little. (Australia Post employee)*

4.4.2 Raising Employer Awareness of the Needs and Capabilities of Older Persons - the Australian Employers' Convention

The purpose of the Australian Employers' Convention, - a series of initiatives promoted by Jobs East, an Area Consultative Committee in Melbourne's Eastern suburbs - was outlined. The presentation pointed out that the Convention publicises the advantages of employing older people, and was making available human resource tools to help employers assess workforce profile. It was also noted that Jobs East had been funded to run a forthcoming conference on employers and older workers.[65] It was explained that the purpose behind the Australian Employers' Convention is to change the attitudes of employers or at least to set

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[65] Australian Employers Convention - promoting age balance in the workforce was held in Melbourne in November 1999. The aim of this 1999 Convention was to "encourage the Australian business community to review its current practices relating to recruitment, retention, training, retraining and retirement of older workers and to obtain a commitment from industry to changed behaviour through the promotion of best practice" (Senator Bronwyn Bishop, Minister for Aged Care, address to National Seniors Association Biannual Convention: 15 October 1999, National Convention Centre, Canberra

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up public norms about what is acceptable and what is not acceptable behaviour in relation to the employment and access to training for older people.

Supportive

> *It is a 'like us' culture. Diversity is the key. A code is not the solution. Getting people to understand that diversity is a plus. A 'code of ethics' rather than a 'code of practice' is required to value diversity (HR Manager).*

Critical

> *The Australian Employers' Convention is a motherhood statement. Whereas a 'code of practice' has benefits and states expectations. It starts people thinking; how do we continue to grow our business? We need to train older people (HR Manager).*
>
> *How do you go about changing the business community's attitude to employing older people? It depends on conditions in the labour market (Middle manager).*
>
> *I come from an organisation that has done little in this area and I do not regard it as an issue. This issue would be ignored in my organisation, as it would get in the way of making a dollar. The short term nature of most people's decisions makes it hard to change behaviour (HR Manager).*

A contrast was drawn between the minimalist version of the Australian Employment Convention (with its emphasis on raising the issue of older people in employment and looking at ways of addressing the issue) and the more comprehensive British approach to setting public norms about acceptable employer behaviour in relation to the employment and access to training for older people – through a code of practice.

4.4.3 A Voluntary Code of Practice on Age Diversity in Employment

Information on a voluntary code of practice, modelled on the UK Age Diversity Employment Code of Practice for employers, was presented to each of the focus groups.

The code proposed that employers recruit on the basis of the skills and abilities needed to do the job, and select on merit by focusing on use of an application form, information about skills and abilities and on performance at interview. The code also specified that promotion be based on the ability, or demonstrated potential to do the job. Employers would be encouraged to base decisions about promotions on objective, job-related criteria to ensure the skills needed to help the business are retained. It also proposed guidelines that employers encourage all employees to take advantage of relevant and suitable training opportunities. Finally, employers would be urged under the code to ensure that retirement schemes are fairly applied, taking individual and business needs into account.

Supportive

Several unemployed participants proposed that a recommendation be sent to government that employers be given more direction through a code of practice on what is correct behaviour for interviews.

> *There is a need for selection committees to have an age balance. A lot of employers ask for a drivers license. Age is used as a screening device. My counsellor is very smart and has suggested that I should only list my work experience over the last ten years (long-term, older job seeker).*

Other unemployed and Australia Post focus group participants expressed concern about the bias in recruitment and selection processes. It was claimed that selection based on competencies is not common practice.

> *Young people doing the selecting often select people like themselves. (long-term, older job seeker)*

Concern was also expressed about the setting of narrow criteria for selecting people for management positions. One HR Manager participant told of an instance where, in his capacity as an office holder in the professional association for HR managers, he was asked to offer advice on how to address the ethical problem of a recruitment agency falsifying scores produced by psychology tests. A psychologist was asked to use a false set of scores to analyse for a person to stop them getting to the next round of interviews because they came from interstate and they did not want to incur the expense of bringing that person to the interview.

> *It was the same thing: that narrowing down [by the employment consultant] on what the employer wanted at the expense of the job applicant. Discriminatory behaviour is happening and the above [example of discrimination] is not the extreme of what is happening.*

Another HR Manager supported the proposal because he pointed that Government needed to take the lead in promoting a 'guidelines document'.

> *Unless we have a guidelines document, employers will not stop discriminating. What will the code look like and how will it be enforced? Government should publish information on who observes the guidelines. There should be a self-reporting period. It needs to be here in the next couple of years. Australia has a far higher proportion of early retirement (HR Manager).*

Another HR manager's comment emphasised the need for groups such as employers associations to publicly promote the code.

> *It is important to advertise a code of practice. There is a need to proclaim poor performance of enterprises to allow the code to operate effectively (HR Manager).*

Critical

> *However, how are you going to change the attitude of employers faced with a large number of job seekers? If the employer has 100 applicants for a job and they only have the time to employ 15, one of the easiest ways to narrow the list down is to do it by age (HR Manager).*

One HR Manager commented that he was not sure what the proposed code would achieve that is already required by legislation.

Another HR Manager believed that the code of practice was unnecessary because discrimination will start dissipating when those who have been discriminated against for a long time will get some power.

> *Will not time take care of the problem of an aging population? The bright young things are not always going to be there, they might be bright older things. Those in their late thirties now are realising how things are changing in terms of the importance of training so as they get older, people may choose to stay in work or go into different forms of work. They will realise that I have to be trained and they will take on the training as required. Business might itself realise this.*

Another HR manager gave the following response:

> *I read the proposed code and was lukewarm about it. I recognise that there is a real problem there but putting a code when legislation is not working is not necessarily the answer. All the same, arguments have been used to encourage wiser employment opportunities of older people have also been applied to women in the workplace. But it took a long time; it actually took some key cases when sanctions were provided against employers. I am not sure about a code.*

Another HR Manager commented that:

> *I come from an organisation that has done little in this area and I do not regard it as an issue. This issue would be ignored in my organisation, as it would get in the way of making a dollar. The short term nature of most people's decisions makes it hard to change behaviour. I had a discussion with an ex panel beater yesterday who has done a lot of personal development who is in high thirties. There is a lot of change going on in our business at the moment and he sees himself gazumped by the bright young ones who have a degree and MBA and similar qualifications. He sees himself as probably one of the older employees now. I do not think we should underestimate that when shove comes to push, the business will make the short term expedient decision and he will probably be discarded. They have seen generation after generation of older people pushed out. That is not to say that there are not a heap of different levers that could be used to operate in different ways like the code of practice. Organisations try a code of practice themselves but they appear to have little effect.*
>
> *If business sees people as a unit of production, they will keep people on and train them. When they realise that there are not enough people*

> *coming through, so after giving all these different messages, suddenly they are going to say that older people can be trained again. The focus is going to be on running harder and longer. Do we live to work or work to live? What motivates people to work? It is the individual's decision at the end of the day as to how hard they want to work. So if they do not see that they are going to be rewarded at the end, they will have difficulty in embracing the idea that it is worth undertaking further training to work longer (HR Manager).*

Qualified

> *Where do the issues of measurement come into the Code of Practice? Who do you (e.g., an HR manager) decide to use competency as the basis for recruitment and selection? (*HR Manager).
>
> *The Code of Practice would not be needed in a large organisation like Australia Post, as the guidelines are already part of internal procedures. [However, it was noted that the requirement that 'retirement schemes be fairly applied taking individual and business needs into account' did not necessarily apply in the case of Australia Post]. Who should go was always decided on the basis of seniority.*
>
> *Codes of Practice are likely to work better in the USA because of the normative culture there* (HR Manager).
>
> *Also individuals, themselves, need to change. Individuals need to show that they are up on the latest skill requirements (Australia Post Employee).*

4.4.4 A Traineeship-type Arrangement

Also proposed for focus group feedback was a traineeship-type arrangement for older job seekers to encourage employers to take on older employees. The concept revolves around extending traineeships to older persons but with a different brand label. A particular benefit of a traineeship-type arrangement is that it could address the need for older people to have an extended opportunity to demonstrate that they can offer the sort of "soft skills" that many employers in the service sector now appear to regard as highly desirable.

The presentation of the concept of specific traineeships for older persons gave rise to a discussion by unemployed focus group participants of the widespread issue of discrimination in relation to employment noted above. An important part of the explanation of this discrimination offered by focus group participants was their perception that many employers believe that older people are not as flexible, accommodating and enthusiastic as younger people. The presentation of the traineeship concept specifically branded for older persons noted that if soft skills are important to placing older people on a level footing with younger people, one way to address this is a period in the workplace as probationary employees under training, to show they can do it. The focus group participants highlighted in their feedback reported above that the difficulty at present is that everything is focused on the short selection interview.

Supportive

Access to the equivalent of a traineeship combining employment with formal training specifically targeted at older job seekers was strongly supported by participants. The current branding of traineeships as an arrangement for young or younger people was seen by several participants as making it unlikely that many older job seekers would know about or would seek to use traineeships as a means of gaining access to employment.

Supportive comments made by unemployed older persons noted that it was a way of linking training with employment to avoid the problem noted by several participants of 'too much training for training's sake'. 'Training is not always relevant'.

Another participant (a qualified school teacher) commented that Centrelink wanted her to train in very basic skills — 'it was very inappropriate training'. The participant noted that there is a major difference between training tied into a job and training not linked to employment.

Participants commented that apprenticeships appear to be only for young people. Traineeships also appear to be limited by age. None of the long term older jobseeker participants had been told about traineeships.

Critical

One HR Manager response to the suggestion to extend the traineeship concept to older people is that they are too long.

> *Employers are looking for a quick response and so efforts to improve the situation for older workers need to target the employer and making a quick impact. The focus needs to be getting to employers and knowing what they want. The reality is that employers look for quick fixes and they want to see responses straight away. The problem with traineeships is they are too long. There is a need for subsidies as an immediate measure.*

Another HR Manager suggested that an existing program, the Frontline Management training program (a means of upgrading the skills of frontline supervisors), is funded by government to encourage older workers to acquire new soft skills. The same HR Manager also pointed out that there is the opportunity for recognition of prior learning for older workers to make the most of the training available. However, the level of subsidy was challenged as being insufficient to act as a real incentive to employers to provide training.

4.4.5 Empowering Older Job Seekers: A Service Charter for Job Seekers in Intensive Assistance

The responses of unemployed focus group participants suggested that the capacity of older job seekers to access various forms of assistance such as training was variable. Different employment services providers appeared to offer different levels of intensive assistance, especially in relation to opportunities to undertake relevant training.

It was suggested by one participant that there is a need for older job seekers to know what sorts of assistance a Job Network provider is required to provide under the terms of their contract with government. She believed that there was an incentive for the case managers she had dealt with to minimise information on the range of options available so as to reduce costs.

> *If I had found the training that I wanted, the money is there and I would get it. It is knowing what you're entitled to that helps you make decisions. Currently there is inadequate information on entitlements, so people do not know what they are entitled to.*

Another unemployed participant asked:

> *Can we get hold of the tender specifications for employment services? They should tell us what is available and what they are entitled to. Over the years we have ploughed in a lot of taxes (regional older unemployed).*

In response to this information the focus group facilitator asked whether participants thought it would be a good idea for access to information about available forms of assistance under intensive assistance funding be expressed in the form of a Service Charter. This would be publicly displayed at the employment services providers' premises and given to all older persons entitled to intensive assistance.

Supportive

There was general agreement from the three focus groups with long-term older job seekers that there was an imbalance between case managers and job seekers in intensive assistance in terms of access to information about the range of options available.

> *The two government agencies were inadequate in terms of interview technique. The woman who interviewed me was rude, ill mannered and off hand. I felt quite put down (regional older unemployed).*

Another said:

> *I've worked all my life for this and I'm entitled to it. It's not my fault that I am out of work at the moment. Perhaps they are not skilled at what you are suited to. My case manager knows nothing about me. I'm only sticking to nursing because that is what I know (regional older unemployed).*

There was general support from unemployed focus group participants for the suggestion made to provide information about the forms of assistance that are potentially available. Several participants commented that it could help them as older job seekers to negotiate with their intensive assistance case managers on a more equal basis than at present. One unemployed participant was frustrated that his phone calls to an employment service were not returned. Several unemployed focus group participants commented that the activity tests stressed people's obligations and not their rights. One older participant commented that:

> *we're up to here with letters; there is a need for some incentive to make us go one step further.*

Another commented that there is a need to look at emerging areas of the needs of the older unemployed:

> *What training do they (employment services) get to advise people about their future?*

One long-term unemployed participant in the Melbourne focus group further noted that the absence of information about the range of options open to the older job seeker tended to place her in a dependent position and this made it difficult to discuss options from a position of weakness.

The response of one participant to the suggestion about a service charter was to query what difference it would make, as she believed that the new emphasis in the delivery of employment services on payment for achieving outcomes has not made a difference. She pointed out that employment services providers have recorded her details but do not follow them up.

> *Employment Agencies such as ... are only allowed to assist you for 12 months. It makes no difference [because] ...there aren't any jobs.*

Another participant who has been out of work for nine months had registered with a number of employment services. He suggested that a recommendation be made to Government to make it easier for the job seekers to work out who is the better Job Network provider.

4.5 Conclusion

The results of the focus groups with the older job seekers suggest strongly that better access to training, in itself, will not address the source of the discrimination. The general consensus among participants who were older job seekers was that it is age, not lack of skills that takes older unemployed persons out of contention for a job. Training for the unemployed was regarded by many as having little value because it does not help overcome the arms-length discrimination experienced. There was general agreement with the perceived need to link training with employment through a structured work placement. Many participants thought that this would give the unemployed older person a better chance to demonstrate their capacity and attitude.

However, this opportunity to acquire and demonstrate one's skills through a probationary period for many 'in-person service' jobs may not be sufficient for some older job seekers, due to the type of skills sought. Analysis of participants' responses suggests that it is useful to distinguish three sets of skills and training required, as follows:

i. the skills and training required to do the job, which tend to be technical in nature and are acquired either through a standardised external course or learned on-the-job;

ii. skills required to meet the employer's 'duty of care' responsibilities in law in terms of health and safety, food handling, first aid for childcare, drivers licence; and

iii. discretionary skills that are required by a particular enterprise, especially the 'soft skills' such as the ability to communicate, problem solving, and use of a quality control system.

The first two types of training can be acquired externally to the workplace. Many workplaces may only be seeking skills based on the first two types of training. However, in an increasing number of cases, 'in-person service' work requires the sort of attributes that will make the customer 'feel good' (i.e., treated better than they are treated by a competitor). Boosting the customer's self esteem is seen as an increasingly important way of differentiating an otherwise similar service in the marketplace. These attributes are particularly important for in-person service work such as shopping, leisure services (hotels, restaurants, cinemas, theatres, sporting facilities), financial services (banks, building societies, insurance companies), travel services and personal services (hairdressing, travel agents, telemarketing). The responses of focus group participants also suggest that these attributes may also be influencing recruitment and selection processes in relation to the professional services occupations of teaching and nursing.

The views of the unemployed focus group participants about discriminatory behaviour in recruitment and selection processes suggest that these discretionary skills can also refer to personal characteristics that are *not* easily acquired through training. These refer to personal appearance, demeanour and perception of enthusiasm about the job and the future. The findings from the focus groups suggest that older unemployed people have difficulties gaining employment and even access to the selection process because:

- recruiters do not see them as physically attractive (this was expressed in an number of ways);
- they are not seen as good at presenting themselves in a way that is customer friendly; and
- they are seen as lacking enthusiasm about their own career prospects.

Employer discrimination, especially in the case of 'in-person service' jobs, appears to operate mostly with respect to these discretionary skills. These skills are far more difficult to objectively assess and hence such assessments are more open to being coloured by prejudices and prior assumptions. For example, the perception by those responsible for doing the selection of new hires that older persons are not as committed or as enthusiastic as young employees was seen by the older unemployed as a serious barrier to their employment. Older unemployed persons are likely to be more prepared to train to acquire the technical mandatory skills if they believed that their rating on the third set of skills was likely to disqualify them.

Indeed, not one focus group participant mentioned that an employer had told them they were unsuitable to employ because they did not possess the formal skills. Instead, they reported that the common responses were that they did not have relevant experience in the particular job they were seeking, or lacked ambition about their own futures, or that the employer wanted someone younger. This suggests that many employers see credentials as less important compared to evidence of relevant competence, broadly defined.

To a lesser extent, this perceived failure to exhibit these soft skills, variously and often imprecisely defined, also applied to older employees. In some cases, according to participants, there were grounds for the claim by employers that older employees were inflexible and lacking in enthusiasm. However, in other instances, the responses showed that older people could vary in their attitudes to work in the same way that cohorts of young employees could also vary. Management decisions or enterprise policies that are based on only one perception of the responsiveness of older employees are clearly unfair. In the long-term, such discriminatory practices are likely to be detrimental to the enterprise because it potentially excludes employees who could show a high level of commitment to the enterprise.

CHAPTER 5

IDENTIFYING THE BARRIERS TO TRAINING FOR OLDER PERSONS: CASE STUDIES OF 'LIGHTHOUSE' ENTERPRISES

MAIN POINTS

- *The purpose of the case studies is to present a description of 'lighthouse' examples of enterprises that have policies in place for addressing the barriers to training for older employees, either as a specific group or as part of a total workforce.*

- *All three enterprises under study have been in operation for well over a century. The case studies, therefore, are valuable guides to identifying what are the key elements of meeting the challenge of changing entrenched workplace cultures and the attitudes of established and ageing employees.*

- *The first case study of the agency in Victoria that runs ten prisons shows how an older workforce with low levels of education attainment has responded to a new operating environment which requires high levels of accountability for performance outcomes.*

- *The second case study of a 'best in class' manufacturing facility describes the range of changes implemented by an ageing workforce over a 15-year period that have contributed to the embedding of a workplace learning culture.*

- *The third case study of the ANZ Bank emphasises the emerging importance, for an established workforce in a traditional service industry, of a range of new 'soft' sales-focused skills now required of front-line employees. The new soft skills are needed to enable branches to change their passive or reactive, service-oriented culture to a culture that is pro-active, and oriented to identifying appropriate products to meet the needs of customers.*

- *Each of the case studies illustrate, in their own way, the importance of the new soft skills.*

- *The case studies also illustrate how soft skills can only be acquired in the context of the workplace. On-the-job learning is an essential aspect of how these skills are acquired; suggesting that training in the new soft skills can only be successfully delivered in a specific workplace context.*

- *There is also a new emphasis on the responsibility of each employee to manage his or her own careers by upgrading their skills profile on a continuing basis.*
- *Two cases demonstrate the value of external guidelines or codes of practice in developing a new workplace learning culture, particularly if they are promoted by bodies that have high credibility with the industry within which the enterprises are located.*

5.1 Introduction to the Case Studies

The purpose of the case studies is to identify 'lighthouse' examples of enterprises that have policies in place that address the barriers to training for older employees. The enterprises have been selected to reflect different broad industry sectors (manufacturing and service industries) and different ownership (public and private sector, Australian owned and overseas owned). The case studies also reflect employment size differences, from 85 employees in a manufacturing plant to 1100 employees in a Victorian Government agency and 19 919 Australian-based employees for the ANZ Bank.

All three case studies are of long established enterprises that have been operating for well over a century (in various forms). The three case studies, therefore, are valuable guides to identifying what are the key elements of meeting the challenge of changing entrenched workplace cultures and the attitudes of established and ageing employees.

The pressures for change in two cases stem from having to compete in a highly competitive domestic and global marketplace. In the third case, the pressure for change has come from government requirements for greater accountability for performance outcomes.

The case studies vary in their focus on older workers. The first case study of the Public Correctional Enterprise in Victoria shows how an older workforce with low levels of education attainment has responded to a new operating environment that requires high levels of accountability for performance outcomes. The strategy pursued has been an integrated one with a substantial emphasis on demonstrated competency as a basic requirement for all members of the workforce. This includes first-line and middle managers who are also required to demonstrate, through third party assessment, their competency to act as mentors and assessors.

The second case study of a 'best in class' manufacturing facility describes the range of changes implemented by an ageing workforce over a 15-year period that have contributed to the embedding of a workplace learning culture. The starting point was a workforce that resembled the traditional workforce profile of manufacturing industry: ageing, blue collar, with a strong demarcation between production line operators and maintenance trades. The enthusiastic workforce response to change has enabled the plant to reach and maintain the best productivity results compared with seven other equivalent plants around the world. While no one program or initiative was the key to explaining how the change was achieved, important ingredients included the breaking down of demarcation barriers through cross-trade training and a strong emphasis on skills upgrading through the introduction of a pay-for-skills job classification structure.

The third case study of an international bank, headquartered in Australia, throws light on the nature of changes established employees are required to undergo to compete in the global economy. The benchmark is no longer improving on past performance or the performance of competitors in the domestic market, but the best practice performance of banks and providers of financial services anywhere in the world.

The case study of the ANZ Bank emphasises the importance of a range of new 'soft' skills now required of front-line employees. In the case of the ANZ, new soft skills are now needed to enable branches to change from being mere simple service providers to more sophisticated marketers of products as well as service providers.

The focus groups with older job seekers provided ample evidence to suggest that many employers do not believe that older people are able to acquire these new soft skills. The challenge for enterprises with established workforces, operating in highly competitive markets, is to set up processes to make it possible and relatively easy for older employees to acquire these new skills. The ANZ case study offers valuable insights into how a very large enterprise (in Australian terms) is going about doing this.

Each of the case studies illustrates, in their own ways, the importance of the new soft skills. Prison officers are now required to 'promote cooperative behaviour' as well as maintain security procedures. Production line workers are required to develop their diagnostic problem solving capacities by being responsible for preventive maintenance.

The case studies also illustrate how soft skills can only be acquired in the context of the workplace. On-the-job learning is an essential aspect of how these skills are acquired; suggesting that training in the new soft skills can only be successfully delivered in a specific workplace context.

An important feature of all three case studies is the new emphasis on the responsibility of individual employees to manage their own careers by upgrading their skills profile. This is shown in several ways in the case studies. Prison officers now need to demonstrate to third party assessors that they can perform all aspects of their job, despite the fact that they may have been in their jobs for many years. Manufacturing workers are now selected based on their attitude to learning and evidence that they accept responsibility for managing their own careers, even beyond the workplace. Individual responsibility for health and safety is now built into how work is performed on the production line. Bank officers now have a new responsibility placed on them as individuals to continually upgrade their learning through a self-initiated development plan.

Finally, the case studies offer an insight into the use by enterprises of an integrated strategy with a strong focus on upgrading workforce skills. In two cases, this is promoted through third-party guidelines and assessment processes. The Public Correctional Enterprise has made extensive use of the Business Excellence Program of the Australian Quality Program. The world class manufacturing plant has participated in and achieved the National Safety Council of Australia's Five Star rating in relation to its health and safety procedures. These two case studies demonstrate the value of external guidelines or codes of practice for changing workplace culture, particularly if they are promoted by bodies that have high credibility with industry.

5.2 Victoria's Public Correctional Enterprise: Showing How an Older Workforce Can Respond to Change

5.2.1 Introduction

Prisons in Victoria are operated by both the public and private sectors. CORE, the Public Correctional Enterprise, is the service agency in Victoria responsible for the prisons operated by the public sector and for community correctional services. CORE, in relation to its prison staff, has a notably older workforce compared to the age profile of the labour force in general - 43 per cent of the workforce in CORE are aged 45 years and above.

Recent changes achieved by the Public Correctional Enterprise demonstrate how an older workforce with low levels of formal education can respond to change, given the right conditions. It illustrates how a highly traditional and closed workplace culture can be transformed through the application of an integrated strategy with a flexible and responsive training program at its centre.

The key elements of the successful enterprise strategy to gain the acceptance of substantial change by an aging workforce have been:

- the support from senior and middle level management,
- a comprehensive human resource strategy,
- commitment from the older staff members themselves to the change process; and
- careful and flexible implementation.

However, to understand how a dramatic change in workforce attitudes and performance has been achieved, it is first necessary to give some background on the nature of changes to the operating environment for prisons in Victoria.

5.2.2 Background

The prison system is Victoria has undergone a series of administrative reforms in recent years. These reforms have focused on devolving responsibility closer to the workplace. Individual prisons were designated as business units and made accountable for a range of performance outcomes.

The *Correction Act* 1996, brought in by the Kennett Government, substantially altered the operating environment for prisons in Victoria. The new legislation provided for the involvement, under contractual arrangements, of the private sector in Victoria's prison system. The other change produced by the new legislation was to set up a new agency to manage the prisons that are still the responsibility of the public sector.

At the end of May 1999, approximately 45 per cent of Victoria's prison population resided in three privately operated prisons. The remaining ten prisons within the State are government owned and operated by CORE, an organisational unit within the Department of Justice.

The Act gives the State of Victoria authority for the security, safety and welfare of prisoners, and for the maintenance of standards, in both public and private correctional services. The Office of the Correctional Services Commissioner has been established to oversee the application of the Act.

The new arrangements leave the State Government with overall responsibility for prisoners, including sentence management, initial prisoner assessment, classification and placement. Service delivery is subject to performance monitoring and review by the Office of Correctional Services Commissioner. A key principle in guaranteeing that standards, performance and accountability are maintained in the revised corrections system is a clear separation between the roles of:

- setting policy and standards and monitoring performance (Correctional Services Commissioner); and
- purchasing services, including management of contracts with service providers (Contract Administrator).

CORE operates as an autonomous service agency responsible to the Department of Justice through a performance agreement. Its performance is monitored by the Correctional Services Commissioner who is responsible for developing and maintaining standards for all correctional services as well as monitoring the safety and welfare of prisoners.

Under the new structure, government, as the purchaser of prison custodial services, retains strong control over correctional service standards, ensuring that appropriate standards of services are provided to prisoners and offenders. The day-to-day supervision and management of prisoners is the responsibility of the prison operators, with government responsible for monitoring the operator's compliance with Victorian prison system standards and contractual terms. The intention of the new supervisory arrangements is to ensure that prisoners' experience of their imprisonment is consistent across the prison system.

The new operating environment for CORE, therefore, is one where there is a constant emphasis on delivering services to a specified standard and meeting performance targets.

5.2.3 Enterprise Characteristics

When CORE was established in 1996, its organisational philosophy and culture set out to achieve a number of objectives. These included: service improvement, and a greater customer service and business focus, backed by effective leadership with maximised opportunity for innovation. Also important were the objectives to achieve a flexible use of resources and minimise cost overheads by developing best practice.

CORE's vision is to become the market leader in the supply of quality correctional services in Victoria. CORE's mission is to provide safe, secure, humane and cost-effective correctional services to prisoners and offenders, and to provide opportunities for their rehabilitation. These values have been summarised as: customer commitment, professionalism, dedication, personal integrity and teamwork. There is a strong focus on improving the commitment and involvement of CORE staff, a goal reflected in the human resource initiatives undertaken by the new agency and outlined in detail below.

In line with CORE's vision, the values and behaviour required of staff have been identified as embracing five key aspects:

:: Client commitment — understanding CORE's purpose and community responsibilities, as well as being caring, compassionate, sensitive, courteous and respectful.

:: Professionalism — taking a professional approach in emergency situations, displaying courageous attitudes in times of crisis, being an industry leader and maintaining high standards of behaviour, language and dress.

:: Dedication — working hard, being responsible, and improving oneself through training and staff development.

:: Personal integrity — acting ethically and honestly and challenging those who break the rules.

:: Team work — 'pulling together in difficult situations, excelling when pressured, helping colleagues in times of need, showing compassion in times of need, supporting each other after major incidents, not using put-downs, blame, backstabbing or harassment and not claiming credit not earned'.

5.2.4 Workforce Profile

Currently, CORE has about 1100 staff, of whom some 700 are working in prisons, 300 are in Community Correctional Services (CCS) and the remainder in support functions. As noted above, 43 per cent of the workforce in CORE are aged 45 years and above. This compares with 30 per cent of the Australian labour force in this age group (see Chapter 3).

However, the age and education profile of the two functions of correctional services in prisons and CCS are very different. Until recently, CCS, particularly in the metropolitan areas, has attracted recent graduates with a background in criminology and kindred subjects, seeking case management experience. There has been a high turnover rate as these young graduates with relevant experience gain work in other areas such as youth work.

The age profile of the correctional services staff in the ten prisons, therefore, is even older than the aggregate data indicate. The majority of prison staff is aged 45 to 60 years. They also have low levels of formal education attainment. Staff from prisons usually have a range of skills not recognised by the formal education system. These include a variety of different work experiences, including the experience of supervising others. Prison staff have transferred successfully to the CCS function because they are often better placed to deal with offenders who are often from a similar age and education background.

5.2.5 Pursuing an Integrated Organisational Strategy of Change

To compete successfully with the private service providers, the public correctional services agency has instituted massive changes and restructuring since its inception in 1996. These changes include significant downsizing and the merger of the activities of the former Victorian Prison Industries Commission into the CORE structure.

CORE senior management have initiated multi-tiered strategy to drive the changes. Staff training and development has been at the centre of the integrated strategy developed by senior management. The organisation-wide strategy is based on the Australian Quality Council's Business Excellence model. This is described in some detail in the following paragraphs to illustrate the nature of senior management commitment to the change process and the key components of supportive human resource management practices. More specific attention is given in the latter part of this case study to the key elements of a new competency based job classification structure and its role in changing the attitudes to work of the aging workforce.

Initially the change to the more open system caused a defensive reaction among existing prison staff. The requirement to reduce staff numbers caused some who were particularly unhappy with the changes to leave while other staff left to join the new private sector operators. However, once the private providers were operational and experiencing their own 'teething problems', the workforce in CORE reached a new appreciation of their own value as a scarce resource. The constant reminder of the competitive context that all the parties now operate within has provided an essential ingredient in making it easier for managers to get the workforce to change their work practices.

These changes initiated by CORE have had a profound effect on staff. The positive aspects of these changes have been the development of new skills, and a staff appreciation of the new entity and the requirement for business acumen associated with CORE's new identity. These positive results followed a period of negative staff attitudes associated with the impact of job losses, prison closures and restructuring.

Business Excellence Plan

The Business Excellence plan, developed by senior management, is based on a template developed by the Australian Quality Council. The plan is a business improvement process that emphasises the importance of using a set of clearly specified processes, at each level of the organisation, in relation to seven critical success areas:

- leadership and innovation;
- strategy and planning processes;
- data, information and knowledge;
- people;
- customer and market focus;
- processes, products and services; and
- business results.

CORE's Business Excellence plan at the corporate level defines high level goals for the enterprise, articulates the strategic intent of the organisation and provides a management tool for ensuring continued long-term business success. The plan requires CORE to develop new and innovative ways of providing better products and services to their customers, and to create increased value for stakeholders. The CORE Business Excellence plan also operates at three levels below the corporate level. These are:

- *Operational Excellence Plans* for each Prison Region, CCS location or Business Service Unit to articulate the strategic intent for the next 12 months and to indicate how each will contribute to the long-term success of the organisation;
- *Local Excellence Plans* to describe what each Prison, CCS location or Business Services Unit will do for the next 12 months to contribute to success of their business unit and to the organisation as a whole; and
- *Individual Performance Plans* that describe how each staff member will make a personally satisfying contribution to the success of linked Local, Operational and Business Excellence Plans.

The particular objectives of the Business Excellence plan in relation to customers and stakeholders are to: improve the continuity of care for offenders and prisoners; improve the effectiveness of programs designed to reduce offending behaviour; reduce the harm to prisoners and offenders caused by substance abuse; and to improve the quality and timeliness of advice provided to Courts and the Adult Parole Board.

In relation to CORE staff, the plan identifies three elements within the organisation's people management as most important:

- Improve the commitment and involvement of CORE staff. This is to be done by introducing a team management structure, creating a 'culture of innovation' strategy, and developing an internal communication strategy and measurement tool.
- Enhance the effectiveness and development of CORE staff by:
  - implementing national competency standards;
  - re-developing performance management systems to better address recognition of good performance, and challenge poor performance and negative attitudes;
  - developing a complete assessment tool to reflect values and behaviours;
  - conducting a total assessment of executive team and all managers and supervisors; and
- implementing the 1999/2000 actions of Staff Development Framework.
  Improve the health, safety and well being of CORE staff. This is to be shown by reducing the days lost by custodial staff through injury, and developing an attendance improvement program for custodial staff.

Application of the Business Excellence Plan within CORE

The Business Excellence plan has the commitment of senior CORE management and has been accepted well by line managers. Considerable resources have now been invested in the approach. The Business Excellence framework has helped the organisation change from a traditional hierarchical structure common to the public sector, to one that is more based on teamwork at managerial level. An earlier attempt by the organisation to use the Investors in People model proved less successful due to the requirement for high levels of teamwork and communication to already exist. However, the Investors in People initiative also did not receive the resources or attention from senior management that Business Excellence has. This difference in resources to promote the program has been crucial.

The program has been valuable in improving service delivery outcomes. Objectives such as the introduction of team management are a major focus of management. Previously, management has emphasised the achievement of outcomes with little attention to finding the best way of doing this. The Business Excellence process nominates specific process targets and managers are now measured against these. For example, one target is to complete the team facilitation process and to produce an action plan to introduce team structures by June 2000. The introduction of a new competency-based job classification structure, backed by a major training effort, is another key objective of the planning process instigated under the plan.

5.2.6 Introduction of a New Competency-based Job Structure

As noted above, the key elements of the Business Excellence plan in relation to staff is the implementation of a new competency-based job classification structure. This involves starting with national competency standards, and enhancing them with enterprise focussed performance standards. It also involves developing a complete assessment tool to reflect the required values and behaviours, and conducting a total assessment of the executive team and all managers and supervisors.

The new staff job profiles are using the National Competency Standards for Correctional Services as the framework. The national competency standards have been developed to cover the nature of the work performed in all correctional services and refer to a complex combination of skills, knowledge and attitudes. The common national competency standards provide the basis for the design of training programs and detailed specifications for workplace assessment. They are linked to a hierarchy of skill that can be packaged together in variable combinations of core and optional units for individual workers.

The new job classification structure for CORE also identifies the skills, knowledge and capabilities of staff required to achieve corporate goals and meet the needs of the organisation. As noted above, these organisational needs include attention to a range of soft skills related to client commitment, professionalism, dedication, personal integrity, and teamwork. CORE's Chief Executive views the achievement by staff of competency standards related to their specific job and CORE's enterprise goals as the opportunity to gain a 'CORE qualification [that] will be valued by staff, and staff who hold a CORE qualification will be valued by the industry'.

CORE's staff have contributed to the development of these standards to ensure that the national standards have the CORE 'stamp' on them. Over a three-year period, CORE aims to integrate these national competency standards into job descriptions, the performance management process and the staff development framework. All staff will be encouraged to become familiar with the standards, perform their work to the standards, and to achieve the qualifications set by the industry.

The approach of CORE is to use the national competency standards to assess every employee against these standards. The specific focus of CORE that has produced significant change in staff attitudes is the requirement for all staff to demonstrate to their peers that they are competent to carry out the range of duties required to do their job. CORE has deliberately eschewed a policy common in other workplaces of having a supervisor say whether someone could perform the required competency based on their years in the job. CORE requires each staff member to demonstrate through formal peer assessment that they can perform the competencies to the agreed performance standard specified.

The requirement for all staff to demonstrate competency through a structured assessment process has necessitated the training of assessors as the first step in the process. This has had the beneficial effect of enlisting the support of a key group of staff — first-line supervisors and the next level of management in each prison. It has also been valuable in sending a strong message to all staff that specialised training is being provided to senior staff to ensure that the assessment of competency is done according to set procedures and is not subject to personal favour.

Supervisors in the past often lacked well-developed personal skills. Managers, for their part, had many of the shortcomings identified in the Karpin Report on leadership and management skills in Australia (Industry Task Force on Leadership and Management Skills 1995, p. 68). These included a short-term view, lack of open mindedness and rigidity towards learning, lack of strategic perspective, complacency, poor at team work and empowerment, inability to cope with differences, poor 'people skills' and a lack of self-confidence.

Supervisors are now acquiring the front-line managers competencies and coaching competencies. The result is a highly supportive environment for workplace change and learning. The combination of the framework provided by the national competency standards with the on-the-ground coaching skills has provided a concrete set of outcomes to be achieved with a well thought through process for getting there.

The narrow technical mentality of the past, with its emphasis on accountability limited to a specific function, is being replaced by a broader, more open mind set that accepts accountability for broadly defined outcomes. The result is a transformation from a culture of 'fear and loathing' to one of learning and continuous improvement. Open communication and honest feedback about performance are now the accepted basis for operating.

The role of the Development Advisor has been instituted for supervisors and managers to enable them to act as coaches as well as assessors. This role has required an extensive training program based on more than the competencies specified for the Workplace II Assessor. The relevant UK competencies that cover the coaching role have been used as well. The Development Advisor role training is an 11-day program delivered in two-hour sessions over a six-week period. In addition, demonstration of the assessment competencies on-the-job is also required. The result has been an extended process as persons in training build up a stage when they are ready for external assessment to gain accreditation. Only two supervisors and managers have qualified to date with 10 to 12 supervisors still working at acquiring the competencies to the standard required.

The emphasis on the demonstrated competence and the requirement for supervisors and managers as Development Advisors to themselves be subject to an external assessment process has had a marked effect on changing workplace practice. There is now a strong perception amongst staff that there is a need to relearn a range of features of their jobs that previously they may have been taken for granted such as emergency procedures and aspects of occupational health and safety.

The training for the Development Advisor role has been demanding. The content and the challenge of demonstrating the competencies have played a valuable role in changing attitudes of middle management to training and development. Requiring supervisors and managers to demonstrate their competency first has sent a message to all staff that the move to a competency-based job structure is based on 'walking the talk'.

5.2.7 The New Approach to Training Compared with the Past

The previous approach to training was as an external activity conducted for induction or promotion purposes. There was a Training Academy that provided off site courses for up to six weeks. This approach often resulted in the perception by staff that training was an activity that was unrelated to actual working conditions. This applied particularly to the training of recruits who after their period of induction training were often faced with a difficult transition into the actual structure of the workforce.

The switch to a Workplace Training approach was necessitated by the closure of the Training Academy in 1993 because recruitment had ceased for a two-year period. Training has now been decentralised to the extent that recruitment now takes place locally as well as the training delivery. The whole process of delivering training within the workplace required established employees having to re-learn their jobs to be able to teach others what was required. The result has been a ready incorporation of recruits into each workplace and an overall lifting of work performance.

The training is evaluated through the use of focus groups that are convened three to four weeks after the training. This method of gaining useful feedback has resulted in several revisions of the course material.

5.2.8 Conclusion

The Correctional Service lost its sole provider status and was required to compete with other correctional providers. The closed nature of the old arrangements had produced a negative, 'us and them' culture based on widespread cynicism about the senior management. There was also a major gap in communication between the corporate centre and each of the prisons as operating units.

The recent experience of CORE illustrates how a defensive and reactive workplace culture with an aging workforce can be transformed. CORE, in the space of only four years or so, has changed from being an organisation with an unenviable industrial relations record, widespread workforce dissatisfaction and management with poor people skills. There is now an emerging acceptance by its workforce and union representatives as a 'good employer' with clear expectations about the performance and processes required.

This has been achieved through the implementation of a comprehensive strategy developed by CORE's senior management. The strategy has involved identifying a range of changes required and expressing these in plans appropriate to each level of the organisation including for individual staff members. The changes involved moving from operating within a traditional bureaucratic hierarchy where training was narrowly defined and external to the day-to-day operations of the enterprise. The formal classroom based training in a quasi-academic setting was ill suited to the learning requirements of the older workforce who mostly had an indifferent attitude to formal education.

The organisation's new direction, strongly supported by middle management, has redefined training as on-the-job learning tied to continuous improvement. Training is now also linked to the attainment of clearly specified job competencies with explicit performance standards. This includes attention to a range of soft skills directly connected to the goals of the enterprise. Learning is also given a broader context by linking it in a measurable way to the attainment of personal and organisational goals.

Changing the meaning of training (from off-the-job and classroom-based to on-the-job training delivered by peers) and its purpose (showing the clear links to achieving greater job security) has greatly increased its appeal to older workers. In other words, training is now geared to the specific needs and preferred methods of older workers. The result is widespread support from the workforce for the new system of integrated learning.

The adoption of the new competency-based job structure by the older workforce is a key indicator of the changed operating culture. The new set of competency requirements is voluntary and staff are not pressured to submit themselves to external assessment. An important step in gaining the commitment of the older workforce to participate in learning was to start with the requirement for supervisors and managers to demonstrate their own competencies in coaching and assessment. As a result, the workforce has responded positively to the new call to relearn their jobs. There is now a common view emerging that all staff should be formally assessed to gain accreditation under the National Competency Standards.

The final factor in achieving a learning culture receptive to the needs of older employees is the attention in the change process given to careful and flexible implementation. It involved careful preparation of the competency profiles to take account of national standards and enterprise-specific requirements. Good communication has been an essential component of the implementation process. The early involvement of the workforce and their representatives were important ingredients of the process. Line managers were also fully briefed on what was involved and asked to commit themselves to the new system by becoming assessors. Particular attention was given to developing a training program based on an appropriate set of coaching as well as assessment skills for first-line and middle-level managers.

The consistent implementation of changes on a variety of fronts to meet the new competitive environment has given the workforce the confidence that the changes they are being asked to make are important and linked to definite, achievable outcomes with both personal and enterprise benefits.

5.3 Older Workers' Contribution to a Leading Edge Manufacturing Plant[68]

5.3.1 Introduction

The purpose of the following enterprise case study is to identify the characteristics of a good enterprise trainer. The case study illustrates the importance of an integrated approach to meeting the training needs of its workforce and older workers in particular. The enterprise case study is intended as a 'lighthouse' example of innovative practices in relation to training and lifelong learning. Of particular interest are enterprise policies and practices that have been adopted to encourage lifelong learning among employees.

This case study shows how older workers have played a key part in transforming a traditional manufacturing operation into a world class facility. Despite a long history of rigid demarcations, the older workforce responded to the challenge of the need to dramatically improve productivity. An operating philosophy of continuous improvement at all levels in the workplace is backed by an emphasis on the individual employee's responsibility to engage in continuous learning.

5.3.2 Enterprise Characteristics

The workplace that is the focus of this case study is a manufacturing facility whose Australian origins date back to last century. The plant is owned by a major international company. The parent company produces more than 10 000 products sold in around 100 countries with technical service teams in Europe, USA and Asia Pacific. The parent company has over 3200 employees worldwide with an annual turnover of more than US $1 billion.

The plant produces domestic products in every day use. Its exports account for 85 per cent of its products. All its major competitors are located in South East Asia. The plant operates a continuous production process. It has 85 employees who operate at a high level of efficiency and quality. Labour turnover is low which suggests a high level of commitment to the enterprise.

The workplace's operating efficiency and productivity is 'best in class' in the world. The plant outperforms similar facilities elsewhere. Compared with similar plants operated by its parent company in USA, UK, Germany, Holland, Spain, Italy and Malaysia, the Australian plant ranks first in terms of cost per product. A key factor in its high performance is the productivity of its employees. Over the last decade, the number of employees has nearly halved (from 160 to 85) but at the same time, output has increased threefold.

Cost margins for the products produced by the enterprise are low so world class performance is imperative to the plant's survival. The focus of all employees is on continuous improvement. This is demonstrated by the fact that over 5000 suggestions have been made in recent years, averaging about 100 per employee. Technology has contributed to the improved performance. There are 95 personal computers for 85 employees. The plant has made extensive use of computers for the last eight years.

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[68] The enterprise has requested that its identity be kept confidential to stop requests for visits from interested enterprises.

5.3.3 *Workforce Characteristics*

The age structure of the workforce is not young. Nearly a half of the workforce (47 per cent) is aged 40 years and over and 29 per cent is aged 45 years and over. Labour turnover is now low at 2 to 3 per cent per year. In terms of educational qualifications, 18 per cent of employees have less than high school completed, 15 per cent have completed high school, and 13 per cent have a base level trade qualification. A further 11 per cent have trade and post-trade qualifications, 3 per cent have two trade qualifications, 5 per cent have a diploma and 35 per cent have a degree and or post graduate qualifications.

5.3.4 *Nature of the Work*

Over the last fifteen years, the manufacturing facility has undergone a dramatic transformation from a traditional division of labour based on a strong demarcation between trades qualified maintenance workers and plant operators. The initial period of change between 1987 and 1992 included the introduction of a new Site Industrial Award (the equivalent of a comprehensive enterprise agreement), a comprehensive program of skills development, selective recruitment and the introduction of the International quality standard ISO 9002.

The second phase (1993-1997) focused on the introduction of total quality management (TQM), cross-union shift teams, a total quality approach to safety, introduction of teams and broad skills development, customer focus and gains sharing. The current phase (1997-2000) includes a strong emphasis on implementing strategy to achieve and maintain world class performance ('Vision with a Date').

A major capital investment program planned in 1986 could only be justified if the new technology was implemented by a highly skilled, flexible and stable workforce. The plant at the time faced declining profits, stagnant markets, low rates of pay, restrictive work practices, low morale and, not unexpectedly, high labour turnover (in the order of 60 per cent per year).

Skills development in terms of a strong technical focus and cross skilling was strongly emphasised during the period 1987 to 1992. Changes to improve skills formation included the introduction of a new competency-based job structure through a Site Industrial Award in 1990. This new structure provided significant pay increases for the acquisition of knowledge and abilities to work two or three work areas. This reduced the number of job classifications in manufacturing operations from 16 to 6, and introduced new opportunities to train such as adult apprenticeships, paid English language instruction and up to 200 hours of TAFE instruction in company time.

A significant feature of the new competency-based job structure was the combining of skills in instrument fitters with those of electricians. In the years 1986 to 1990, a large

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number of employees undertook training to be able to perform a greater range of skills. The aim was to create a multi-skilled production and engineering workforce that could devote 90 per cent of their time to production and 10 per cent to breakdowns and ongoing maintenance. The cross trade training took up to three months and was rigorous including oral and written tests.

It was during this stage of the change process, that older workers played a leading part. According to the General Manager, 'the older workers pushed through these changes'. The older workers saw clearly the need for change and responded accordingly. Despite a history of demarcation disputes between the production and engineering functions reinforced by the presence of occupationally based unions, the older workforce rose to the challenge of the new skill requirements by taking up training in large numbers. Trades-qualified workers trained to become operators and operators trained to be able to perform maintenance work.

Job design committees were set up in October 1989 to work out ways for engineering, mechanical and electrical skills to be more shared between maintenance workers and with plant operators. At the same time, TQM and the International quality standard (ISO 9002) were introduced. TQM processes provided the opportunity to work through production problems involving all the main participants.

TQM processes encouraged an integrated approach to problem solving, for example, in relation to inefficiencies in the operation of the production line. Operators together with fitters, electricians and supervisor initially worked through possible reasons for breakdowns. Over a period of months, substantial improvement in production output was achieved in an atmosphere of high cooperation. This common focus on solving production problems raised other issues such as the need for operators to acquire skills in maintenance to be able to apply preventive maintenance or make immediate repairs to ensure the continuity of the production process.

The work environment now requires employees to meet demanding performance targets. Progress is measured to ensure continuous improvement in safety, health and environmental performance as well as production. There is a strong emphasis in the workplace on health and safety. The workplace achieved in July 1998 the National Safety Council of Australia's Five Star rating for its health and safety management system.

The new operating environment requires every member of staff to exercise personal responsibility in a range of ways. This responsibility applies particularly in relation to health and safety. It includes the responsibility of staff members for preventing harm to themselves, others and the environment, and to contribute to every aspect of safety, health and environmental protection in the workplace.

There is now a whole range of supporting features in place to maximise production efficiency. No one program or initiative is driving the process of achieving continuous improvement. It is the integrated nature of the changes now in effect that is producing the environment that enables the workplace to operate as world best in its class.

Employee involvement is promoted through access to internal email for all staff. Internal communications are also encouraged through a flyer on Total Quality issues, the use of well-planned noticeboards, monthly company team briefings, pay slip notes, and bench top safety meetings. Informal communications are facilitated through the use of one single production location, open office space, a strong social club, and activities such as family safety competitions.

Employee participation is encouraged through the roles played by facilitators in Total Quality Management, safe behaviour activities, occupational health and safety representatives, and first aid providers and trainers. Teams also play an important role in promoting employee involvement. There are cross-functional improvement teams, project teams, designated work teams and committees.

Employees are recognised for good performance through a variety of ways. Different methods are used for different groups. The methods include letters from senior management, opportunities to broaden work roles, individual contact, family recognition, messages on the Bulletin board, and annual attendance recognition letters.

5.3.5 *Initiatives to Promote the Take-up of Training*

Nearly 30 per cent of the staff is salaried. Their job descriptions identify their areas of responsibility and their salary increments are performance-based. The reminder of the workforce is paid according to their acquired skills. There are no restrictions on mobility up the pay scale for non-salaried staff provided they have acquired the necessary skills. It is acknowledged that it is management's responsibility to ensure that the range of skills that an employee has acquired is properly utilised.

All vacancies for salaried positions are advertised internally first. Of the 11 managers, seven had been promoted from within the enterprise. Internal candidates are always compared with external candidates to ensure that they are equal to or better than those available on the external labour market.

The enterprise underwent an Investors-in-People third-party assessment five years ago. As discussed in Chapter 2, Investors-in-People is a UK-originated quality standard for managing human resources in the enterprise. According to the General Manager, the main continuing benefit to the workplace from assessing existing internal processes against the external Investors in People standard has been the institution of a regular 'skills development' interview with each employee. The interview between each employee and the person they are working to takes place at least once a year. The purpose of the interview is to identify the individual's training needs and how these might mesh with the needs of the business. One significant effect following from this process has been the acceptance by individual employees of greater responsibility for their own career development.

Another change initiated by using the Investors in People standard was the more systematic recording of information on training and related matters. However, in general, the changes made in response to the standard were not seen as large because many of the practices recommended by the standard were already in place. Fourteen of the Investors-in-People's 23 indicators were regarded by the General Manager as particularly relevant.

Employees are entitled to up to 200 hours of accredited training a year. They are also expected to undertake training in their own time. Course fees for external training are reimbursed at the completion of the course. The expenditure on training in terms of wage costs account for about 3 per cent of payroll.

A major feature of the new culture is the openness to problem solving and learning. This means that there is not a 'blame culture'. If information is received that suggests that optimum performance is not being achieved, there is a willingness to look at ways of improving the situation. The response of management to the results of an employee satisfaction survey was that the findings offered the opportunity to make further changes. This response reflects a learning culture that sees critical feedback about performance as a chance for improvement. Employees expect constant change and indeed want it this way.

5.3.6 Effects of the New Learning Culture

The new emphasis on continuous learning has resulted in a range of opportunities not only within the workplace but also within the enterprise in other parts of the world and outside the enterprise. The emphasis on individual employees taking responsibility for their own career development has encouraged a number of employees, particularly in the 35 to 45 age group after 8 to 10 years at the plant to decide to take on other employment. This is often a result of an assessment by the individual of the limited potential for advancement to a managerial position. A number of employees have left the workplace to set up their own business or to pursue a career overseas within the company.

The General Manager notes that the major selling point the company makes to attract recruits is to offer excellent career prospects in five to six years but not necessarily with this workplace or the enterprise. The promise of the enterprise to recruits is to train and develop its employees and to give them every chance to maximise their own abilities. There is now a major emphasis on selecting persons who have a strong motivation to develop their career. The selection process is specifically designed to exclude those who have a weak desire to improve their skills and learning. Age is not used as a proxy for making selection decisions about employees' ability to acquire new skills. Direct evidence about attitudes to learning in the form of motivation and actions taken to acquire new skills are now the basic criteria for assessing employees' capacities to work in the new setting.

5.3.7 Conclusion

This case study has shown how older workers played a crucial part in making the change to a multi-skilled workforce. According to the General Manager, a key element in the acceptance of the change by the older workforce was how it was explained. The dire prospects for the plant in the mid 1980s provided the context and motivation for change. The result was an extensive take-up of training by a workforce that previously had little predisposition or incentive to train. A strong, initial appreciation by the older workers of the need for change and the consistent multi-faceted strategy pursued by management over an extended period of time has produced a working environment that has helped to embed a genuine workplace learning culture.

5.4 The Australian and New Zealand Banking Group (ANZ): The Role of Soft Skills and Self-Initiated Skills Acquisition in Moving to a Sales Culture

5.4.1 *Introduction*

The purpose of this case study is to demonstrate how a leading edge bank in Australia encourages its staff, over a fifth of whom are aged 45 years and over, to acquire new knowledge, skills and attitudes as a basis for a new approach to how they perform their work. Frontline staff, many of whom have long tenure with the bank, are now required to change from delivering a narrow range of transaction-based services to learning how to market and sell a broad range of complex products. The old, segmented work processes are giving way to new, interlinked, team-based ways of working.

Key elements in the ANZ's change strategy are the clear identification of the required new capabilities and the encouragement of individual staff members to take responsibility for self- initiated learning. The case study demonstrates the pressures facing employees in an enterprise operating in a highly competitive global market, what changes are required of existing employees by the enterprise and the new responsibility placed on the individual to continually upgrade their learning.

The major banks in Australia are under intense competitive pressure to operate in a sophisticated, IT driven, global market, while at the same time maintaining close links to customers in traditional markets and reduce costs. In response to these pressures, it can be argued that the banking sector has been through more restructuring, more re-engineering, and more technological change during the last decade than almost any other major sector of Australian commerce and industry.[69]

Australian banks have a long history of being simply moneylenders operating in a protected domestic market. The challenge for the future is to become full financial service enterprises able to prosper in a global marketplace. Meeting this challenge requires developing and offering a comprehensive range of services. This also involves changing the profile of skills of their staff from those required to deliver a relatively simple service to being able to market and sell complex products. As the financial services market has become more competitive, commercial banks have turned to emphasising the importance of building on their relationship to customers. This has been done by differentiating their service in terms of the range of products offered and the quality of how the service is delivered. The new demands on existing staff to adopt new ways of working are major.

The ANZ bank has excelled in its efforts to change staff behaviour to build this new sales culture. In 1998, ANZ was awarded Australian 'Bank of the Year' by Personal Investment Magazine for the second consecutive year due to the quality of the financial products and services it offers.[70] ANZ's Global Head of Personal Banking, Mr Peter Hawkins in accepting the award noted that:

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[69] Charles Goode (1998) Chairman's Address, 30th Annual General Meeting of Australia and New Zealand Banking Group, September.

> *Customers are becoming more sophisticated in their expectations of banks and our consistency in winning these awards across a wide range of products demonstrates our commitment to providing competitive, flexible solutions for customers. The awards highlight the dedication of staff, particularly those in the branch network and direct banking channels, to continuously improving customer service.*

The particular focus of this case study is the Bank's strategy of encouraging existing employees to acquire a new set of soft skills. The purpose of the new strategy is to move the bank from a passive and narrowly focused service culture to a pro-active, multifaceted, sales culture.

The key elements of the new strategy are a strong direction from senior management, backed by a comprehensive human resource management strategy. The latter has included incentives to encourage staff to take up of the new skill requirements and a clear specification of the new skill requirements backed by a planned training program. Also important has been the commitment of staff to participate in the new skills acquisition process and the processes followed to encourage the learning of the new skill requirements.

5.4.2 *Background*

With total assets of $A150 billion, ANZ is the second largest Australian-based bank. The Business Review Weekly's Top 500 corporate scoreboard for 1999 ranked ANZ as the sixth top corporate performer in Australia, behind the National Australia, Commonwealth and Westpac banks. Its performance compared to 1998, however, was strongly positive (an increase in profit of 17.6 per cent, just behind the Commonwealth Bank).

The Bank's history stretches back over 150 years and encompasses a number of major mergers and acquisitions. ANZ began in London in 1835 with the establishment of The Bank of Australasia under Royal charter. In 1951 The Bank of Australasia merged with the Union Bank of Australia to form ANZ Bank. In 1970 in what was then the largest merger in Australian banking, the English, Scottish and Australian Bank Limited merged to form the present organisation, Australia and New Zealand Banking Group Limited.

Following the merger in 1970, ANZ has made several important acquisitions. These included The Bank of Adelaide (1979), Grindlays Bank (1984), Barclays in Fiji (1985), PostBank in New Zealand (1989), National Mutual Royal Bank Limited (1990) and the Bank of Western Samoa (1991). Today, ANZ is among the top 100 banks in the world.

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[70] ANZ won a total of 13 awards in the 24 product and service categories, as well as the overall Bank of the Year. ANZ won gold awards for Best Mortgage Offset Account, Best Standard Home Loan, Best Personal Loan and Best General Charges and Services. ANZ also won silver awards for Best Fixed Rate Home Loan, Best Residential Investment Home Loan, Best Foreign Currency Account, Best Accessibility and Best Package Banking; and bronze awards for Best Personal Transaction Account, Best Cash Management Account, Best Margin Lending and Best Credit Card.

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Domestically, the ANZ Bank has improved its performance in recent years although in overseas markets, its performance has suffered due to the dramatic collapse of Asian and Russian financial markets in 1998.

5.4.3 *Enterprise Characteristics*

John McFarlane, ANZ's new CEO, has identified five major priorities for the next few years. These are to:

i. build a truly unique financial company;
ii. transform technologically the way we do business;
iii. make dealing with ANZ an enjoyable experience for our customers;
iv. create an environment where people excel; and
v. deliver superior performance and value for our shareholders.[71]

ANZ is working to lower its risk profile, lower costs and to expand its market share in the personal banking, and small to medium business and large corporate markets. The profit performance of personal banking business has been lifted by 29 per cent in 1997-98 though cost rationalisation.

> *In summary, domestically we simultaneously reduced costs per customer, increased revenue per customer, and increased our market share. We believe this is an excellent set of outcomes.*[72]

The direct costs associated with personnel make up about 40 per cent of total costs of banks.[73] The high cost of maintaining a branch network compared to the low costs of new financial service providers as Internet-based mortgage lenders, for example, creates constant pressure to reduce costs and generate more revenue from existing resources.

The bank's competitive position in relation to the other three major banks and the uncertainties of operating in the world economy provide the impetus for seeking continuous improvement. This approach has been expressed by the Chief Executive as follows:

> *We also intend to bring alive our promise of making dealing with ANZ an enjoyable experience for our customers, and of creating an environment at ANZ where people excel. We are building a performance-based culture, with increasing levels of accountability, better performance management and increased remuneration for those who contribute most. Improving the skills and leadership abilities of our people is a priority. Without jeopardising these objectives, we will continue our emphasis on cost*

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[71] John McFarlane (1998), CEO's address, 30th Annual General Meeting of Australia and New Zealand Banking Group, September.

[72] John McFarlane (1998), CEO's Review, 1998 Annual Report of Australia and New Zealand Banking Group, September.

[73] Tony Featherstone (1999), 'Tips to bank on: Mike Macrow, head of banking research at Merrill Lynch, gives his views on bank stocks', *Shares*, Vol. 4, No. 5, May.

> *reduction and on the establishment of a more technologically oriented approach to banking.*[74]

The CEO, in his address to the 1998 Annual General meeting, noted that some shortfalls in the levels of customer attention and service still needed to be addressed.

> *Above all, we need to demonstrate that we like dealing with customers that we care about them, that we listen to them, that we will deliver what we say we will deliver, and that our charges provide value for money. With a strengthening in our management team, considerable progress in improving our technology, improving efficiency, a reduction in our risk profile, a sound capitalisation, and increasing attention to servicing our customers with a sales-orientated culture, we are well positioned to improve shareholder value.*[75]

5.4.4 Workforce Profile

ANZ has 19 919 employees in Australia (with 16 670 full-time equivalent positions). Half of these positions are in the distribution network and 40 per cent of these positions are frontline service consultants. Women represent 63 per cent of the bank's Australian workforce. Nearly half (46 per cent) of the ANZ's female Australian workforce is part-time but only 4 per cent of the male workforce is part-time employees.

Some 22 per cent of the workforce is aged 45 years and over, of whom 62 per cent are women. Nearly three-fifths (59 per cent) of the staff has been with the bank for five or more years. The long job tenure for a large proportion of staff may reflect a high degree of employee commitment to a good employer. It also suggests that there may be considerable challenges in encouraging staff to adopt entirely new modes of working.

Administrative records show that 6 per cent of female and 4 per cent of male non-managerial staff have post-school qualifications. This proportion with formal qualifications is much lower than for equivalent occupations in the Australian labour force. ABS data for 1998 show that as many as 42 per cent of advanced and intermediate clerical, sales and service workers have a post school qualification and that nearly a quarter (23 per cent) of the same occupational grouping have a degree or higher qualification.[76]

The reasons for the lower level of formal post-school qualifications among non-managerial bank staff compared to the labour force at large stem from the long tradition of banks providing their own training in-house and the absence, until recently, of relevant external qualifications. The tradition of in-house training was a by-product of the internal career path based on lifetime employment that characterised the bank's employment arrangements until the 1980s. These employment arrangements have now changed as nearly a third (31 per cent) of the workforce are now employed part-time.

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[74] Ibid, p. 5.

[75] John McFarlane (1998), CEO's address, 30th Annual General Meeting of Australia and New Zealand Banking Group, September.

[76] ABS (1998), *Transition from Education to Work Australia* (Cat. no. 6227.0), Table 14, p. 15.

Employees who have started their working life with limited educational attainment in terms of formal qualifications may be ill prepared for further learning to master new, complex job tasks. The ANZ strategy recognises that a sophisticated system of incentives and support mechanisms are needed to encourage employees with limited formal education levels to acquire new skills.

5.4.5 Organisational Changes at ANZ

ANZ announced in May 1999 major changes to its organisational structure and senior management team. The purpose of the changes is to align the organisation with ANZ's new vision and strategy. ANZ will be organised into four global businesses: Personal Financial Services, Corporate Financial Services, International, and Technology, E-Commerce and Payments.

The new structure is designed to decentralise and simplify the organisation by creating a sharper focus on business priorities. The restructuring is also intended to upgrade strategic and financial management processes at the Group level to improve the balance between the different businesses, to reduce costs, lower risk, improve capital efficiency and to improve return on assets.

Changing nature of customer requirements

The Bank has invested in new information technology and has seen a phenomenal rise in telephone banking with customer calls in 1998 increasing 97 per cent to 1.7 million, with 60 per cent of these calls being handled automatically. The call centre operates 24 hours per day, 7 days a week.

A major branch transformation has been undertaken to create a new retail environment to make them more customer friendly as well as attractive. As well as a new look and more attentive service, there will be a new Premier Suite in these branches, which will provide an exclusive service for high-end customers.

ANZ has initiated a new branch structure called the Branch of the Future program. This program aims to change branches from being largely a processing channel to a sales channel. The CEO has recently noted that in Australia it is not unusual for branches to sell only two products for every client, whereas in the US, the best banks sell between five and six products per client.[77]

The aim of the Branch of the Future program is to offer ANZ customers more efficient service levels across the full range of branch services, including telling. A key aim of the project is to provide a sales focus and culture in branches, enabling staff to build a greater knowledge of processes and procedures. A range of industry and product specialists has been appointed at each of Business Banking centres to provide a more comprehensive service to customers. The introduction of new processes and an increased reliance on electronic banking will result in a reduction in staffing levels of approximately 1700.

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[77] John McFarlane Interview, *Business Review Weekly*, July 20, 1998.

5.4.6 *Integrated HR Strategy*

A new enterprise agreement in 1998 introduced a new salary structure, which allows for fixed and variable pay. Other features of the agreement were:

- removal of all restrictions on the number of part time and casual staff and greater flexibility in the employment of part time staff;
- greater flexibility in hours of work;
- the opportunity for ANZ to offer staff a choice between taking Rostered Days Off or having them paid out;
- wider redeployment opportunities in the event of staff being made redundant; and
- flexibility to negotiate further changes to meet particular needs of the business during the life of the agreement.

Core competencies and the capability matrix

Six job families of capabilities have been identified for the range of work undertaken with ANZ (see Attachment 5A). Job families are broad groupings of comparable roles which perform similar work and which cut across Business Unit and functional boundaries. The capabilities are defined as the 'behaviours, skills and knowledge that define an individual's capacity to perform successfully, within the context of ANZ's values'. The behaviours, skills and knowledge are defined in observable and measurable ways and are utilised to drive all people processes.

A distinction is made between threshold and distinguishing capabilities. The former are defined as capabilities that are basic prerequisites for a job and the latter are regarded as capabilities that are required for effective performance in a role. The capability matrix is intended to be used flexibly. It is anticipated that 80 percent of work roles fall clearly into one or other Job Family. However, in the case of 20 percent of the work roles, it is possible that capabilities need to be selected from more than one job family.

The capabilities matrix has several important functions. The capabilities are used for selection and recruitment purposes to assist in improving the quality of interviews. They are also used for performance management purposes. The skills, knowledge and behaviours described provide the basis for managers and their staff to spell out what constitutes effective performance in each Job Family and specific role. The performance standards expected throughout the organisation are described with a common language. Individual staff members have a clear standard against which their performance is assessed to deliver the key outcomes of their job.

The third function of the capabilities matrix is for career development and training purposes. The capabilities matrix provides staff with a guide for self-initiated and manager-initiated development activities that can be undertaken on-the-job. It also provides a basis for identifying developmental needs that can be met by coaching from the line manager. Additionally, the capabilities matrix can be used to identify training needs that may require access to formal training programs.

Self initiated career development

The capabilities matrix identifies a range of 'soft skills' that are needed by staff to perform their job to the required level of performance (see Attachment 5B). These are distinguished in each instance in terms of three types of skills acquisition: self initiated, supervisor/manager initiated and formal training programs. For example, the capability 'Applying Business Knowledge', is defined in the following way:

The willingness to keep up-to-date with the relevant business, technical and professional knowledge and apply this knowledge. This is to ensure technical or professional solutions are delivered which meet business needs and are aligned with best practice. It also ensures Bank compliance with both internally and externally driven regulatory requirements. It includes actively seeking to learn more about a particular field or area with the commitment to applying that knowledge to improve the quality and relevance of solutions or services delivered to the business.

The self-initiated development actions expected of each staff member to show the Applying Business Knowledge capability are:

- keeping up-to-date with general business trends by widely reading relevant newspapers, articles and journals;
- actively building internal and external network with individuals whom you believe are knowledgeable about current business trends and issues (including consultants);
- consider joining a business-related professional organisation or association; and
- consider gaining further relevant academic business qualifications (e.g., Certificate of business, Bachelor of Business, Graduate Diploma).

Continuous improvement is another key 'soft skill' and is defined as: willingness to improve existing processes and procedures and find better ways of doing things in terms of effectiveness (quality, accuracy, reliability, etc) and/or efficiency (cost, timeliness, etc.). The description goes on to state that: '[t]his may involve challenging established processes and procedures or bringing in ideas from elsewhere to add value to ANZ'.

Decisiveness is another 'soft skill', defined as:

> *... the ability to use information, apply experience and apply judgement to make sound and timely decisions, which add value to the business. This may involve making decisions when information is ambiguous or incomplete.*

In terms of self-initiated action, the following activities are identified examples of what is required to demonstrate decisiveness:

Ensure you have the necessary amount of information, facts and data to base decisions on. This can be helped by reading, learning and applying decision tree-type tools and models.

Increase your confidence in the decision-making process by discussing your ideas and rationale with colleagues and your manager, who could provide a valuable sounding board.

Explore possible consequences and risks associated with making or not making a decision, and discuss these with your manager (or a colleague) with a view to taking appropriate action.

The willingness to take action rather than simply thinking about it, spotting opportunities and doing things now in order to avoid potential problems in the future. It is about being persistent in addressing issues and potential obstacles.

Training programs

ANZ has an industry wide reputation as a provider of high quality and relevant training. There is a strategic combination of internal, external and on-the-job training to support individual development, and training plays a key role in career development. ANZ, and the banking industry generally, has traditionally provided its own training in-house. Complementing the variety of training programs available to staff is the ANZ Study Incentive Scheme. The scheme provides financial support for external studies that are in line with the staff member's career aspirations.

However, in addition to formal training, staff are encouraged first and foremost to manage their own career. This involves working out the best fit between the individual's skills and aspirations and the specific career directions open within the bank. An example of this is the 12 month-long, Graduate Development Program. Through the use of key support mechanisms such as Buddies and Mentors, the best fit for the individual within the organisation is sought. Buddies are typically graduates with several years experience who are nominated to help new graduates understand the 'culture' of ANZ and get to know the people in their immediate team. Their support is particularly important in the first three months of employment.

After three months, the new graduate recruit is introduced to a mentor. Mentors are senior, experienced staff members who, through monthly meetings for the remainder of the Graduate Development Program, draw on their 'expert' knowledge to provide advice on career development. The role of the mentor is to be not only a source of valuable information but also to be a motivator to the new graduate.

In October 1998, ANZ announced the selection of two panels to provide recruitment and training services throughout Australia and New Zealand. The seven-member recruitment panel was selected based on their ability to provide a full range of recruitment services. Similarly, the three-member training panel was selected based on their ability to provide a full range of training design and delivery services. ANZ has retained responsibility for strategic direction, quality control and evaluation of recruitment and training. Contracts for two years began from 1 October 1998, with a two-year option.

5.4.7 Conclusion

The above case study has shown how the ANZ Bank with an Australian-based workforce of nearly 20 000 has adopted a high skill, high quality strategy for its whole workforce. ANZ has changed its work processes to achieve greater efficiencies and to offer a greater range of financial services to its customers. Branches are changing their roles from performing a simple service function to offering multifaceted services. The broader skill profile enables frontline staff to offer better service by minimising customers' time and costs of navigating through an increasingly complex financial world.

As a large enterprise operating in Australia for over a century, ANZ had accumulated considerable baggage in the form of antiquated practices and mindsets. The baggage included a narrow view of the services banks needed to offer, a long tenured workforce with a limited skills set, introverted training arrangements, and traditional industrial relations bargaining practices. A weaker performance compared to its main competitors combined with a new CEO from Europe has laid the basis for a range of basic changes with the past. Not least of these is the change to the range of skills now expected of its staff.

The case study outlines the new soft skills and supporting attitudes in addition to technical knowledge that employees working in highly competitive environments are increasingly required to have. The challenge for the ANZ Bank, with an established and aging workforce, was to work out how best to encourage its workforce to break with past work habits to learn fundamentally different ways of working. The case study describes the tools used by ANZ to achieve a turn around in staff attitudes and work practices.

A key feature of the ANZ's change strategy is to encourage individual employees, through a variety of interlinked mechanisms, to take responsibility for their own learning and career development. The supporting mechanisms include: a clearly specified set of the expected capabilities, a new salary structure which allows for fixed and variable pay according to performance, competency-based career ladders, modular training and closer links to external education institutions.

These mechanisms alone are not the whole story. A major ingredient in changing the large enterprise with an established workforce is strong leadership from senior management about the need for, and direction of, the change to respond to a turbulent operating environment.

5.5 Conclusions

The traditional focus of enterprise training has been on enterprise requirements at the beginning of an employee's working life. The new emphasis is now on implementing quality and problem solving systems that require employees to participate in off line and on line activities through undertaking regular updates and the techniques in day-to-day operations. Each of the other case studies illustrates, in their own ways, the importance of the new soft skills. Prison officers are now required to 'promote cooperative behaviour' as well as maintain security procedures. Production line workers in the manufacturing facility are required to develop their diagnostic problem solving capacities by being responsible for preventive maintenance. A strong health and safety focus is now built into how work is performed on the production line.

The focus groups with older job seekers provided ample evidence to suggest that many employers do not believe that older people are able to acquire these new soft skills. The challenge for enterprises with established workforces, operating in highly competitive markets, is to set up processes to make it possible and relatively easy for older employees to acquire these new skills.

The case studies also illustrate how soft skills can only be acquired and applied in the context of the workplace. On-the-job learning is an essential aspect of how these skills are acquired; suggesting that training in the new soft skills can only be successfully delivered in a specific workplace context. Efforts to teach these skills in classroom setting divorced from the workplace are not likely to be of much value. Similarly, soft skill acquisition is only likely to be effective if it takes place in an actual employment setting rather than in a simulated workplace environment. The particular focus of the enterprise (its market niche) is often a crucial ingredient for defining what soft skills are required and how they should be exercised. This has implications for working out how best to enable unemployed older persons to acquire soft skills.

As noted in the introduction, an important feature of all three case studies is the new emphasis on the responsibility of individual employees to manage their own careers by upgrading their skills profile. This is shown in several ways in the case studies. Prison officers now need to demonstrate to third party assessors that they can perform all aspects of their job, despite the fact that they may have performing for many years the activities that constitute their jobs. The manufacturing case study suggests that production line workers in a leading edge facility are now selected on the basis of their attitude to learning and evidence that they accept responsibility for managing their own careers. The ANZ case study showed how bank employees now have a new responsibility placed on them as individuals to continually upgrade their learning through a self-initiated development plan. This suggests that there is a need for one set of policy options to address the barriers to training for older persons that offer ways to promote and encourage older persons to take greater responsibility for their own learning.

Finally, the case studies offer an insight into the use by enterprises of an integrated strategy with a strong focus on upgrading workforce skills. In two cases, this was promoted through third-party guidelines and assessment processes. The Public Correctional Enterprise has made extensive use of the Business Excellence Program of the Australian Quality Program. The world class manufacturing plant has participated in and achieved the National Safety Council of Australia's Five Star rating in relation to its health and safety procedures. These two case studies demonstrate the value of external guidelines or codes of practice for changing workplace culture, particularly if they are promoted by bodies that have high credibility with industry. This suggests the need for another set of policy options involving enterprises and other stakeholders such as employer associations that looks at ways of defining what constitutes a good learning organisation or more generally a good employer.

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Attachment 5A: The ANZ Job Family/Capability Matrix

The six job groupings or families are:

> Relationship roles: The focus is on the initiation, development and management of customer relationships. The success of these roles is measured not by the quality and timeliness of single transactions, but by the quality and strength of ongoing customer relationships.
>
> Sales and service roles: The focus is on customer satisfaction during a service encounter in addition to overall service improvement in terms of effectiveness (quality, accuracy, reliability etc.) and efficiency (costs, timeliness, etc.).
>
> Risk and Compliance: The focus of these roles is to ensure compliance in terms of internally or externally driven regulatory requirements and to define, manage and minimise the bank's risk exposures.
>
> Operational and Service Support: These roles provide operational or administrative systems and support to internal and external customers.
>
> Professional Support: These roles provide internal consulting services to provide analysis and advice soundly based on their professional specialisation.
>
> Technology support: designing, developing and delivering technology based solutions (hardware and software) to meet business needs or priorities as well as providing ongoing maintenance, support and enhancements to hardware and software application and systems.

Attachment 5B: Examples of "soft skills" and "hard skills" specified in ANZ Capability Matrix

Applying Business Knowledge is defined as: the willingness to keep up-to-date with the relevant business, as well as keeping up with technical and professional knowledge (the hard skills) and to apply this knowledge. The self-initiated development actions expected of each staff member to show the Applying Business Knowledge capability are:

> Keep up-to-date with general business trends by widely reading relevant newspapers, articles, journals, etc.
>
> Actively build your internal and external network with individuals whom you believe are knowledgeable about current business trends and issues (including consultants).
>
> Consider joining a business-related professional organisation or association.
>
> Consider gaining further relevant academic business qualifications (eg Certificate of business, Bachelor of Business, Graduate Diploma).

A Continuous Improvement Focus is defined as: willingness to improve existing processes and procedures and find better ways of doing things in terms of effectiveness (quality, accuracy, reliability, etc) and/or efficiency (cost, timeliness, etc.). This may involve challenging established processes and procedures or bringing in ideas from elsewhere to add value to ANZ.

Self-initiated capabilities expected of staff that demonstrate continuous improvement are:

> Regularly ask yourself how you could have done your last task or assignment more effectively and more efficiently.
>
> Initiate discussion with your peers on how team and department processes can be improved. Identify areas for "quick win" improvements and then action them.
>
> Regularly monitor your own performance against expected standards to find ways to better that performance. Challenge relevant work processes that have been traditionally used in terms of how they add vale to ANZ.
>
> Develop a rolling list of things you feel need improving, discuss with your manager and routinely check this for actions you have taken.

Decisiveness is described as: the ability to use information, apply experience and apply judgement to make sound and timely decisions that add value to the business. This may involve making decisions when information is ambiguous or incomplete.

The self-initiated development actions suggested are:

> Ensure you have the necessary amount of information, facts and data to base decisions on. This can be helped by reading, learning and applying decision tree-type tools and models.

Increase your confidence in the decision-making process by discussing your ideas and rationale with colleagues and your manger, who could provide a valuable sounding board.

Explore possible consequences and risks associated with making or not making a decision, and discuss these with your manager (or a colleague) with a view to taking appropriate action.

The willingness to take action rather than simply thinking about it, spotting opportunities and doing things now in order to avoid potential problems in the future. It is about being persistent in addressing issues and potential obstacles.

CHAPTER 6

BARRIERS TO TRAINING FOR OLDER WORKERS: A SYNTHESIS OF RESEARCH FINDINGS

MAIN POINTS

- *The aims of this chapter are threefold.*
- *First, the chapter summarises the main findings of the research results reported in the preceding chapters with a view to highlighting the major characteristics of older persons participating and not participating in training. The chief purpose of this summary of results is to identify which groups among older persons may need to be the target of appropriate policy options.*
- *Second, the chapter identifies six barriers to training for older people and assesses their relative importance. This section, therefore, serves as a bridge to the final chapter, which offers a number of possible policy options to address these barriers.*
- *Third, the chapter offers a broad synthesis of the main research findings as a means of reaching a better understanding of the significance of the different barriers identified. In particular, this section outlines how older persons' attitudes to training need to be understood against the wider changes to the institution of retirement. These changes have been caused by changes to public policy, the employment practices of employers and the changing nature of work. While the oldest age cohorts of employees (broadly aged around 55 years and over) and their employers may see little need for training in the light of their anticipation of retirement as a formal break with the world of work, this is less likely to be the case for the cohorts below them, (e.g. those aged around 45 to 54 years). For these people, 'retirement' as a fixed stage in life has become increasingly de-institutionalised over the last fifteen or so years. This has opened the way to a different appreciation by many of the value of training for enhancing their options in a more volatile world.*

6.1 Key Features of the Research Findings

6.1.1 The Characteristics of Older Persons and Training

It is clear that the take-up of training varies greatly between individuals. Furthermore, age is only one factor — albeit an important factor — that accounts for these differences between individuals. Other important factors include being in employment, educational attainment, various job-related characteristics, such as hours of work and the type of employment arrangement under which a worker is hired, and workplace characteristics, such as employment size. A summary of how training incidence is associated with many of these factors is provided in Box B. In the discussion that follows, we focus only on what are, from the perspective of older persons, the most important of these.

Paid work and participation in training

The propensity of individuals to participate in training is closely linked to employment. Persons not in work are much less likely to participate in training. This is mainly due to the fact that most training is undertaken on-the-job. Employer-sponsored external training is also an important source of training not available to the unemployed. It is, therefore, hardly surprising that the rate of participation in training by both the unemployed and persons outside the labour force (but who nevertheless would prefer to work) is considerably lower than that for the employed.

Nevertheless, the research evidence also reveals that, in contrast to employees, the incidence of participation by the jobless in training does not vary with age. Survey results reported in Chapter 3 showed that when persons who have had a job during the previous year are excluded from the analysis, the older unemployed are not at any greater measurable training disadvantage than the younger unemployed. In other words, among the older unemployed, it is the lack of employment rather than age that is the main reason for the low levels of participation in training.

The focus groups results reported in Chapter 4 also confirmed that the factors likely to influence access to training for the unemployed were very different to those that influenced training outcomes for the employed. Access to employment in the first place was judged by most focus group participants to be a necessary condition to make it worthwhile for them to invest the time and effort into training.

Age and participation in training

Age is important in explaining who trains and who does not. When worker characteristics such as education and occupation are taken into account, the age-based training differential is even greater than the raw figures suggest. The propensity of individuals to train is also associated with workplace, firm and industry characteristics such as firm size, foreign ownership, skill requirements and the priority management assigns to human resource management. Nevertheless, the analysis shows clearly that being older in itself, independently of these factors, is strongly associated with a lower propensity to participate in training.

Specifically, the multivariate analysis revealed that the probability of receiving employer-provided training is highest for workers aged in their late 20s and early 30s, and lowest for the oldest members of the workforce. Moreover, the training gap was most noticeable for employees aged 55 years and over. For most adult groups — that is, workers aged between 25 and 50 years — the probability of training does not vary significantly. After 50 years of age, however, the probability falls noticeably.

Education and participation in training

For those persons in paid work, education attainment, in addition to age, is a key factor that helps explain different levels of employee participation in training. For each form of training (on-the-job, formal in-house and external), the analysis showed that the higher the educational qualification held by an employee, the more likely it is that the person will have participated in training. The analysis noted that a worker with a postgraduate qualification was over eight times more likely to undertake further educational study than a comparable worker who left school before they turned 16 years old. In relation to formal training, those with a degree or better are twice as likely to have undertaken this form of training. Moreover, the effect of education attainment, and especially university education, on participation in training was stronger for the older employees compared with younger employees with the same level of education.

In terms of the characteristics of the employee's workplace, easily the most importance influence on training outcomes is enterprise size — the larger the enterprise, the more likely it is that employees will participate in training, regardless of the age of the employee. There are also important inter-industry differences, as well as differences reflecting ownership patterns and management strategy and philosophy. There is also some evidence of higher training rates in public sector workplaces, especially those operating on a non-commercial basis. Moreover, at these latter workplaces, older workers appear to fare extremely well in terms of access to training.

Box B: The Characteristics of Employees Least Likely to Participate in Training

The multivariate analysis identifies employees with the following characteristics as least likely to participate in the three different forms of training:

- *employees aged 60 to 64 years, followed by 55 to 59 year olds, in relation to formal, on-the-job training and educational study;*
- *employees with low levels of educational attainment (especially those who did not compete secondary school), in relation to formal, on-the-job training and educational study and who left school at age 16 to 18 years in relation formal training and education study;*
- *employees from overseas who are from a non-English-speaking background, in relation to formal training and on-the-job training;*
- *employees whose highest qualification was obtained overseas, in relation to education study and on-the-job training;*
- *employees with slight and substantial language difficulties, in relation to formal training and, for those with substantial language difficulties, educational study;*
- *employees who are not union members, in relation to formal training and education study;*
- *persons employed on a casual basis, in relation to formal training and on-the-job training;*
- *employees in low skilled jobs (i.e., labourers and related workers, elementary clerical, sales and service workers, and intermediate production and transport workers), in relation to all three forms of training; and*
- *employees in enterprises with fewer than 100 employees, in relation to formal and on-the-job training, especially employees in enterprises with fewer than 20 employees in the case of formal training.*

6.1.2 Differences Among Older Persons in their Propensity to Train

As was emphasised in the conclusion to Chapter 3, the cohort of older people comprises a diverse array of individuals. As a result, it is important that policy initiatives reflect this diversity. Unfortunately, the limitations associated with analysing sample-based survey data, together with the small number of focus groups conducted, mean that we are unable to say much about the implications for policy of this diversity. Specifically, the research suggested only four issues as being of particular importance. These issues reflected variations in the training experience of older cohorts according to: (i) their age within that cohort; (ii) educational attainment; (iii) the business status of their employer (if employed); and (iv) whether in paid employment or not.

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Intra-cohort age effects

Perhaps the most obvious difference within the older worker cohort, as identified in the research reported on here, is that training outcomes still vary markedly with age. In particular, training probabilities were often found to only fall noticeably for workers aged in their 50s. That is, the extent of any training disadvantage was not found to be particularly significant for workers in their late 40s. Such findings suggest that policy needs to be targeted at the older workers aged 50 and above.

Of course, it also needs to be borne in mind that it is the oldest workers for whom further investments in training make least sense. This applies particularly to older workers and their employers responding to the conventional understanding of retirement as a dramatic break from paid work. Thus, any policy aimed at stimulating training levels within the older worker cohort needs to be sensitive to the fact that both the supply of and demand for training declines with age. However, as discussed further below, key elements of this conventional view of retirement has changed for many older workers, and especially those now aged between 45 and 54 years. This may in turn lift the propensity to train as this age group grows older.

Need to target older people with lower levels of education

The empirical research also identified two conditions under which even the oldest workers appeared to fare reasonably well in terms of accessing training. The first of these is educational attainment. While rates of training participation tend to fall with age, this was found to be far less true of those persons with university qualifications. It is well established that education is a key predictor of labour market achievement and hence it should not be surprising that, even later in life, education continues to confer advantages in terms of access to further opportunities to train. Higher levels of education attainment also predispose older persons to perceive training as worthwhile.

This result suggests that the more educated the older person, the less likely are they to need encouragement or an incentive to undertake further training. More educated older persons are more likely to increase their participation in training if barriers such as providing adequate information about available training together with ease of access and convenience are addressed. However, for the vast majority of the older age cohorts, the barriers to training are likely to be more fundamental.

Need to target private and commercial public sector enterprises

The second condition that clearly intervenes in the relationship between worker age and training is the business status of the firm, and in particular, whether it operates on a for-profit basis or not. Indeed, the multivariate results suggested that there were few, if any, differences between younger and older adult workers employed in non-profit businesses. Providing an understanding of the reasons why this should be so goes beyond the brief for this study, but possible reasons include:

i. better developed internal labour markets in non-commercial organisations (at least within the large public sector organisations) with their strong emphasis on the importance of and entitlement to training for promotion purposes;

ii. a professional culture within many non-profit organisations that emphasises the value of further education and training as an integral part of work; and

iii. greater economic freedom for non-profit organisations to exercise their 'tastes' for employment policies that emphasise affirmative action favouring older workers.

These results suggest that private sector and government business enterprises could be the focus of appropriate policy initiatives.

Need to address the needs of unemployed older persons

Finally, the research, and especially the qualitative research, emphasised the very different situations confronting the older person without a job as distinct from those still in employment. As noted earlier, like all unemployed people, the older unemployed have low probabilities of training participation. The problem for the older unemployed as compared with their younger counterparts, however, is that re-employment prospects are relatively low. This is reflected in long average duration of unemployment and high probabilities of ceasing job search even though work is still desired. These factors combined tend to promote high levels of apathy towards training among this group. That is, many older unemployed lose interest in training opportunities. Interest in training can only be re-kindled where that training is clearly linked to a job. From this perspective, addressing the training needs of older persons should be subsidiary to helping them secure employment.

6.1.3 Age and the Perceived Need for Training

One key finding that emerged at all stages of the research was that many older workers appear to have little interest in training. In the quantitative analysis, for example, older workers were reported as being much more likely to say that they have 'no need for training'. Only 44 per cent of young adults who had not undertaken training during the previous year indicated no need for training, compared with 57 per cent of 45 to 54 year olds and over two-thirds (69 per cent) of 55 to 64 year olds.

Perhaps not surprisingly, relatively greater interest in training was found among older unemployed persons. Nevertheless, within the oldest cohort it was still the oldest workers who exhibited least interest in training. Such findings raise the question of just what are the barriers to participation by older workers in training. It is to this issue that we now turn.

6.2 Barriers to Older Persons Undertaking Training

As noted in Chapter 1, there is a widespread assumption emerging in public policy that workforce training should be a major element in the range of measures needed to improve Australia's productivity and international competitiveness. At the level of the individual, encouraging investment in further training is also seen as a worthwhile public policy objective given that it provides increased promotional opportunities, improved job security and higher wages. These benefits to the individual are quite apart from the educational benefits of enhancing a person's understanding of and capacity to participate in the wider world.

However, if it is accepted that participation in training is an important public policy to be pursued, should the policy be applied to older people in the labour force? We are faced with clear-cut research findings that, in aggregate, and compared to younger age groups, older persons are less likely to participate in training (irrespective of the form it takes). In addition, when asked about their attitudes to training, many older employees were much more likely to indicate a lack of interest in training, often justified on the grounds that they do not need to undertake further training. In relation to unemployed older persons, unless training was offered in conjunction with paid work, many of the unemployed stated that they believed that it was of little value to them.

What factors are important in explaining this lower level of participation in training among older people? Economic theory postulates that funding training for older people at the end of their working life is a poor investment risk for the employer. The same theory holds that older people themselves are not likely to want to invest in further training because the returns to them as are judged to be too low and uncertain. As well, older employees and the older unemployed often identified discriminatory attitudes on the part of employers and their representatives as a key factor in explaining their lack of access to opportunities to train.

A major challenge facing this research project has been to marshal available data that will indicate the relative importance of the different factors that help to explaining older people's lower participation and interest in undertaking training. In no particular order, the factors that both this and other research reported in the literature review suggest are likely to be of importance are:

- the absence of paid work;
- a decline with age in the capacity to learn;
- particular education and occupational characteristics, such as low level of education attainment and concentration in low skilled jobs, of the current older age cohort (the cohort effect);
- a public policy environment that has encouraged early retirement from age 55;
- discrimination by employers on the basis of the assumed work attitudes of older employees; and
- older persons' self-perceptions about the lack of value in undertaking further training.

The literature review suggested that most of the factors mentioned above are important barriers that hinder older people's participation in training. The following discussion describes, in our view, the most significant barriers to training for older persons. Highlighting the most significant barriers is a fundamental starting point for proposing possible policy options, the focus of Chapter 7. If some factors, such as a low return on investment, are more significant than factors that are more amenable to public policy intervention, then there is little justification for proposing policies that seek to lift the participation of older employees. However, if it can be shown that the decision to participate in training is shaped by financial incentives to take early retirement or is adversely affected by employer or training provider discrimination against older people, there is scope for government to institute policies to address these issues.

6.2.1 Barrier to Training: Absence of Paid Work

The focus groups with the long-term unemployed offered consistent evidence that training was seen as only worthwhile if it was part of paid work. Many focus group participants noted that additional training had not made them more attractive to employers. The common view of the participants was that their age was the major attribute that excluded them from employment. Employer discrimination based on age was seen as the major reason that they were unable to obtain work, regardless of the training courses undertaken. The barrier to training that the absence of paid work represents for the unemployed is a fundamental one. The focus groups with the long-term unemployed showed that the attractiveness of training to them depends on its link to paid work. In other words, the training needs of unemployed people are not only directly linked to securing employment, but also training itself is not likely to be seen by the older unemployed as a worthwhile activity unless it is provided in the context of a paid job.

6.2.2 Barrier to Training: Learning Capability

The literature review in Chapter 2 suggested that research on training performance did show that older workers typically take longer to learn new skills and typically benefit less from the training process. The literature review referred to the analysis of Kubeck and colleagues (1996) who employed meta-analytic techniques to review and summarise the findings from 32 different studies measuring the relationship between age and various measures of job-related training performance. The results of this meta-analysis showed that older people do appear to have greater learning difficulties, but we do not know how important the effect is and note that it might be quite small. The literature review noted that the magnitude of this age-related learning effect is almost certainly moderated by a number of other intervening variables. Further, it has not been clearly established at what age this learning effect becomes sizeable. The bottom-line is that in many settings and contexts, the additional cost of training an older worker compared with a younger worker may be quite small.

Overall, however, it seems likely that at least some groups of older persons do experience more difficulties in learning new skills and hence will prove more difficult or more costly to train. This needs to be acknowledged as a possibility and special provision may need to be made in workplaces and by other education and training providers in terms of more suitable training methods tailored to the special learning requirements of older persons.

Differences in how training is delivered are also likely to have a marked impact on the learning capability of older persons. The differential impact on older persons of formal compared with informal training and between structured and unstructured training need to be explored in practice. Focus group discussions suggest that greater attention should be given to how training can be delivered through informal and less structured processes. One suggested approach that came from the focus group discussion with Australia Post mail officers was for trainers to acknowledge the extended work experience of older workers and to draw on that experience wherever possible in the training process. Another suggestion from the focus group with middle managers was to ensure trainers of older employees were themselves from the same age group. This, it was suggested, would ensure that trainers would be less likely to assume that certain background knowledge (for example, in relation to aspects of computer use) could be taken for granted.

6.2.3 Barrier to Training: Education

The current older age cohorts have notably lower levels of education attainment than younger cohorts. As noted above, education attainment is strongly associated with participation in training. The higher the level of education, the more likely it is that an individual will be participating in training.

Data for May 1998 show that 43 per cent of 55 to 64 year olds had not completed the highest level of secondary school and had not attained a post school qualification. This compares with 35 per cent of 45 to 54 year olds, 30 per cent of 35 to 44 year olds and 28 per cent of 25 to 34 year olds. Thus, as even the second oldest cohort (45 to 54 years) becomes the oldest, the overall level of participation in training for older workers is likely to increase over the next decade.

The lack of education is likely to be a major impediment to the further acquisition of knowledge and skills. Policies to increase the levels of education attainment of all age groups will help to remove over time a significant barrier to training for older people.

6.2.4 Barrier to Training: Uncertain Retirement Age

According to human capital theory, employers, due to the costs involved in training provision, do not randomly provide training opportunities to workers. Instead, training is offered to workers when the costs of that training are lower than the long-term benefits the firm expects to derive from providing the training. Likewise, employees fund training that they see is likely to produce benefits. As noted in the literature review, the extent to which the training is expected to benefit the firm and the employee is said to be dependent on two factors: (i) perceptions of length of future job tenure; and (ii) the likely effectiveness of the training.

The lower participation of older employees in training is thus consistent with their shorter remaining job tenure. Older employees have fewer years of employment in which to recoup (via pay and promotions) any costs of training they incur. Therefore, they will be both less motivated to seek out training and less willing to accept offers of training from their employer. Employers, on the other hand, may see older workers as an investment risk because they may be less likely to stay on, particularly after age 55 due to community expectations and incentives to retire early stemming from superannuation arrangements.

The lower propensity for older employees to receive training is consistent with an employer's view of the short return on their investment from the training provided to these employees. However, employers' assessment of the future time horizon for calculating their return on investment may actually be shorter than the traditional retirement age. The traditional age of retirement has been 65 years of age for men and 60 for women. The de facto age of retirement, however, has tended to be lower, with a pronounced trend in Australia for men and women to leave the labour force from age 55. Favourable superannuation payouts from age 55 years may have been an important element encouraging early retirement for some employees. Faced with this increased uncertainty about their employee's intentions from age 55 years, many employers may have decided not to fund further training for employees aged 55 and over due to uncertainty as to whether they will remain at work and for how long. However, as noted below, changes in the financial incentives for taking early retirement may affect the attitudes of employees and employers to early retirement.

6.2.5 Barrier to Training: Employer Discrimination

A further factor that needs to be considered in explaining the lower participation and lower interest of older people in training is discrimination. This refers to the overt behaviour of employers and others, such as training providers, in denying older people the opportunity to train. The discriminatory behaviour is likely to be based on assumptions about older people's capacity to learn new skills. A more covert form of discrimination can apply when the job requirements include a set of not clearly specified 'soft skills'. These soft skills often refer to personal attitudes of flexibility, enthusiasm and responsiveness that in employer minds may be more readily associated with young people. The expected soft skills in service jobs may also include physical attractiveness as well as a deferential attitude.

Training providers may discriminate against older applicants in favour of school leavers based on incorrect assumptions about the needs of young people compared to older persons. The focus group participants reported several instances of course coordinators rejecting or challenging an older person's application for course entry. In one instance, the differential treatment was justified by the course coordinator on the basis that the older person's need to do the course was judged to be not as great as those of young applicants.

Employer discrimination is an issue that certainly acts as a barrier to employment and training for older persons. However, to what extent discriminatory attitudes towards older persons in the labour market and the workplace do exist and to what extent they are acted on is difficult to discern. A special purpose, carefully designed, representative survey of the attitudes of, for example, those in enterprises responsible for recruitment, selection and promotion decisions may offer more conclusive evidence of discrimination.

6.2.6 Barrier to Training: Self Discrimination

The most subtle form of discrimination is that of self-discrimination. This refers to the internalisation by older people themselves of the negative attitudes of employers and the community in general about the capabilities and assumed financial needs of older people. The focus group participants offered views of their situation that strongly suggested that the negative attitudes of the wider community about older people and their ability to participate in training had become part of their self-image. As a result many older employees seem locked into at most, a retirement age of 65, and in other cases have accepted what they believe is the inevitability of early retirement. Older unemployed persons, on the other hand, tend to blame their lot on employers, and see little scope for how they could improve their own situation. The bottom-line is that attitudes of this type will be associated with a reluctance to undertake training. Older persons with these attitudes will see no advantage in undertaking job-related training given they may see themselves as having little future in the workplace beyond age 55.

6.2.7 *Barriers to Training and the Nature of Training*

Finally, it is worth highlighting how older people' attitudes to the perceived value of training may vary according to the type of training required. Building on the outcomes from the qualitative research, three broad categories of training can be identified: (i) occupational or technical training; (ii) mandatory training associated with health and safety requirements and similar 'duty of care' responsibilities; and (iii) the so-called 'soft skills' of team work, problem solving, and communication. The soft skills requirements are likely to vary according to whether the job is 'high-level problem solving', 'in-person service' work, or 'routine production' work.

For the older unemployed person, different attitudes may apply to each of these three types of training. Retraining for a new occupation or upgrading existing skills is likely to be contingent on access to a job that requires these skills. Focus group participants who had been unemployed on a long-term basis wanted a direct link to paid work to provide the context for any required training. For the same reason, the incentive for an older unemployed person to undertake mandatory training is dependent on being in a specific job. The issue of how best to demonstrate possession of soft skills is also dependent on access to an extended period of employment in the workplace. Focus group participants who were unemployed highlighted their dissatisfaction with the inadequacy of up-front interviews.

For the employed older person, employer attitudes to participation in technical or mandatory 'duty of care' training were regarded as positive because it was often seen as necessary or unavoidable. However, in relation to soft skill training, employer attitudes were seen to be more equivocal. Training in soft skills is often viewed by employers or managers as discretionary. Some employed focus participants believed that access to this type of training was often dependent on employers' views about the capability of older employees to be responsive to the techniques used to encourage better communication, teamwork and other forms of attitudinal change. Other focus group participants who were employed also acknowledged that some older employees had difficulties in responding to training in soft skills due to 'stubbornness' and inflexibility.

Training as an activity, particularly in relation to older persons, needs to be understood in terms of its different forms. This refers to the need for trainers and policy makers to understand not only the differential impact on older persons of formal and informal and structured and unstructured training modes but also the content of the training such as the content types identified above.

6.3 Towards an Understanding of Older Persons' Attitudes to Training

An important theme underlying the above discussion is that limited time horizons on the part of both employers and individuals will tend to shape attitudes to and inhibit training participation by older persons. This highlights the need to consider more generally the factors affecting a person's decision to retire, factors influencing the anticipation of retirement, and how the concept of retirement itself has changed more recently. The above research results suggest the need to interpret older persons' attitudes to training against the background of how retirement was viewed in the past and the significant changes that have taken place in the last fifteen or so years to when retirement is taken, how retirement is taken and how this is likely to differ across particular older age cohorts.

In the past, for most workers, and especially men, adult life could be divided into three sequential stages — schooling, work, and retirement. These stages were clearly delineated from each other in terms of distinctly different activities and transitions at set ages. Public policy, economic circumstances and the nature of work all came together to institutionalise retirement as a major life transition that took place in a highly stylised way. The set nature of these factors led to the 'institutionalisation' of retirement as a special event that involved a major break from work at a set age (usually 65 for men and 60 for women).

The concept of retirement, therefore, during much of the post-war period until the 1980s in Australia was one that consisted of a dramatic change from being in full-time paid work to not working. Retirement at a set age was universally accepted by employers and reinforced by public policy. In contrast, the pattern for women was often different. It was characterised by periods out of the labour force and intermittent or interrupted paid work. The decision to retire for a married woman in the past was also likely to be influenced by the retirement of an older spouse.

Men, in particular, operating within this traditional approach to retirement were likely to start thinking about or anticipating their retirement probably at some point within a 15 year period out from retirement. This suggests that from about age 50, male employees and their employers in the past began at least, to give some thought to their retirement. As retirement, traditionally understood, involved a clear change from work to non-work, investment in further training related to current work was seen by both employers and older employees as less attractive or worthwhile.

However, changes in three sets of factors — the public policy context, economic circumstances and expectations about what constitutes a working life — have served to gradually 'de-institutionalise' retirement. The contributing factors to the changed nature of retirement as a social institution are several. These include the contradictory changes to public policy where superannuation incentives to take early retirement at age 55 exist alongside legislation to remove mandatory retirement age. There have also been major *de facto* changes in how 'retirement' is defined and implemented by many medium to large enterprises that have had to reduce their workforces. This change in enterprise policy and practice has occurred through the widespread use by enterprises of forced or 'voluntary' early retirement packages as a way of reducing workforce numbers. Many enterprises have also outsourced functions formerly carried out in-house. This has resulted in former employees continuing to provide services to the enterprise as self-employed contractors. Outsourcing was also often facilitated by early retirement packages. On the other hand, changes to the nature of work through computerisation, resulting, for example, in decreased physical demands, have also helped to alter employee and employer perceptions of the need to stop work at a certain age.

What these changes mean is that attitudes to training among mature age and older workers are likely to change if retirement is no longer seen as a dramatic break from work. This is likely to apply particularly where a person has undergone a number of job changes, and may see self-employment as a viable option, because higher levels of education attainment make it possible for older persons to sell their skills as services. The gap between men and women in terms of work histories is also changing. In addition, there is now much more emphasis on individuals choosing their own form of retirement (e.g., part time work and voluntary work).

The impact of these changes is only now emerging. What it means to 'retire' in the future may be very different to what was meant by this expression in the past. The concept of retirement as a concept denoting a life style transition could refer to a range of behaviours. These behaviours could include: a career tradition from a highly geared, mobile job to a more sedentary, lower paid job, or to a self-employed status with a high degree of control over assignments accepted or rejected. It could involve older people, especially those with specialist skills, staying on at work in new capacity as adviser or consultant. Other options could involve a transition to part-time work or work as a volunteer. These options may well continue to be exercised long after the traditional retirement age.

However, changes to public policy, the practices of enterprises in relation to retirement, and the differences in how work has been changed by information technology mean that these factors are not all necessarily heading in the same direction. It is also likely that there are marked differences in attitudes to training by age cohort and within age cohorts (by, for example, education level, gender and regional location).

The changing social nature of 'retirement' means that, for the cohorts younger than 55 years, retirement behaviour is likely to be different depending on their career trajectory (e.g., long term in one job, or a series of job changes), whether they are men or women in terms in interrupted work histories, middle aged persons' greater familiarity with computers and hence self-employment options. Changes to public policy will also have an effect. Most notable here is the increase in the preservation age for superannuation to beyond 55 years. All this suggests a much more individualised response in the future to retirement by the 45 to 54 age cohort.

These considerations suggest that the basic research finding, noted above, about unwillingness to train among older people may be a result of sets of factors that reflect the past institutionalisation of retirement. As the current workforce ages, attitudes to training may be changing as retirement takes on a different meaning and involves a broader range of options (such as the transition to a different type of work; e.g. part-time, or in one location, self-employed, voluntary). This increased range of options may cause the older person contemplating them to value training as a key element in realising those options. These emerging trends suggest that, in the future, a much larger group among older workers than the data reported in this study show will value training in a more positive way. The challenge of public policy is to work out ways to assist those now in or just moving into the mature age cohort (45 years and over) to respond to the new circumstances.

6.4 Conclusion

The above discussion of the main findings from the literature review, data analysis and the focus groups suggests that the decline in participation in training with age can be explained in broad terms by reference to orthodox economic theory. Older workers and their employers are less likely to want to invest in training because they have a shorter time in which to recoup the costs of the investment of resources that it involves. In addition, it was noted that those with higher levels of education are more predisposed to training. This means that as the level of education attainment rises over time in the older age cohorts, so also will participation in training. These factors might suggest that there is no obvious need for more immediate public policy intervention.

However, while the cost benefit calculus of human capital theory can explain in general terms the low take up and negative attitudes towards training among the oldest age cohorts, it is not useful for explaining the factors that are likely to lift participation in training among older people at the margin. As noted above, the nature of retirement is changing and there may be a lagged appreciation of the need by some older people to invest in training. Public policy can be directed to changing the attitudes of older people in the light of the changed institutional framework surrounding retirement. Similarly, while higher levels of education attainment among different age cohorts over time will lift the rate of participation in training, this is only likely to benefit a minority of older people for some time to come. A more specific and tailored public policy response aimed at the needs of the less formally educated among older age cohorts is justified.

These considerations do, in fact, suggest that there is scope for more direct and immediate public policy intervention to encourage greater participation in training among the current and emerging cohorts of older persons. For example, changes to the financial incentives to take early retirement at age 55, the cost benefit calculus for employers to invest in training for employees in the 55 to 64 age group may change significantly in the future. As the financial incentive to early retirement is lessened, and employees stay on even beyond age 65 (perhaps on a part-time basis), the length of time for the return on investment for the individual as well as the employer is likely to become more certain. There is also the likelihood, at least for those employed in sectors with rapid technological change that the return on investment can be gained over a shorter period compared with the past.

For unemployed older persons, the decision to train is likely to be strongly influenced by whether the training offered is linked closely to employment, preferably as a bridge to ongoing paid work. There are implications here for government programs that link employment with structured training. The above analysis also suggests that although learning capability is likely to vary more widely among older persons, this can be addressed by more flexible training provision. The additional costs of developing more tailored training arrangements for older persons may need to be taken into account by governments, employers and other training providers.

Also amenable to public policy intervention is discrimination against older persons in terms of access to employment and in terms of access to training for existing employees. Discriminatory behaviour may be practised not only by employers but also by external training providers. A more subtle form of discrimination, requiring a different policy response, are the attitudes that are internalised by older people themselves in terms of their learning capabilities and ability to respond to change. This barrier to training based on self-discrimination, may also be susceptible to change if there is publicity about and wider acceptance by society at large of the needs of and problems faced by older people.

The final chapter outlines a raft of proposals in more detail.

CHAPTER 7

ADDRESSING BARRIERS TO TRAINING FOR OLDER WORKERS: POSSIBLE POLICY OPTIONS

MAIN POINTS

- *This chapter aims to provide a context for considering possible policy options to address barriers to training for older persons.*
- *The chapter first outlines the elements of a policy framework, including: the National Strategy for an Ageing Australia; the Government's Reference Group on Welfare Reform; increased emphasis on age discrimination issues – as highlighted by the HREOC report* Age Matters*; and the attention directed by the OECD to policy development for an ageing population.*
- *Second, the chapter considers the current state of public policy initiatives in Australia, including perceptions of limited effectiveness of anti-discrimination legislation; limited use of managing diversity programs at the enterprise level; lack of a public framework to define a "good employer" or "good trainer"; absence of initiatives to promote lifelong learning; and lack of targeted assistance for unemployed older workers*
- *Finally, the chapter offers a number of suggestions on policy options, including: raising public awareness through legislation; promoting public awareness of older persons at the enterprise level; promoting lifelong learning; and improving access to training for older unemployed persons.*
    - *Table 7.1 outlines the proposed policy options in relation to the barriers identified in Chapters 2 to 5.*
    - *Table 7.2 outlines the proposed policy options according to time frame (short, medium and long term) and delineated into options for "older unemployed" and "older employed".*
    - *Attachment 7A lists the proposed policies with their stated objectives.*
    - *Attachment 7B lists the links between the proposed policies and the relevant research findings.*

7.1 Introduction

The purpose of this chapter is to suggest a range of policy options to address the barriers to training for older persons. Policy options, however, cannot be formulated in isolation from a wider economic, social and political context, and so the first part of this chapter outlines the main elements of a policy framework that are likely to shape the nature and form of effective options. An assessment of current initiatives is also offered as a necessary precursor to formulating appropriate policy suggestions.

The project brief, in addition to requiring the identification of the barriers to obtaining and benefiting from training, also required the consultant to develop 'innovative and practicable policies to remove the barriers identified'. The context for doing this is outlined below with reference to the original project brief, the National Agenda for an Ageing Australia, and the new emphasis on the responsibility for individuals as citizens to play an active role in investing in their own capacity to maintain their workforce and community skills. Also discussed, as part of the context shaping possible policy options, are the recent concerns raised by the Human Rights and Equal Opportunity Commission initial discussion paper entitled *Age Matters* (HREOC 1999) and its final report entitled *Age Matters: A Report on Age Discrimination* (HREOC 2000).

It is also important to recognise that policy-making does not take place within a national vacuum. Increasingly, the reference point for good policy is what is happening in other countries. This is done by reference to the recent analysis of the OECD, which has pointed to the pre-conditions necessary for successful policy implementation in relation to older persons and skills upgrading.

The significance of these various contexts shaping possible policy options are brought together through the identification of seven key principles which, it is suggested, need to underpin any policy options developed to help older persons' improve their take-up of training.

Identifying policy options also requires an appreciation of the current state of play of government policy and enterprise practice in providing access of older persons to training. This assessment includes reference to evidence on the lack of effectiveness of anti-discrimination legislation and its impact on public awareness of the employment and training needs of older persons. Also discussed is the dearth of diversity programs in enterprises aimed at encouraging greater fairness in the application of policy and practice in the workplace. This reflects a gap in policy in relation to an understanding of what it means to be a 'good employer'. At a broader level, it is also noted that Australia does not have any major policy initiatives aimed at promoting lifelong learning. Also discussed are a number of relevant past and current federal and state government labour market program initiatives. The deficiencies of current targeted assistance to older unemployed persons are highlighted.

The chapter concludes with the outline of a series of possible policy options. The key stakeholders for policy development and implementation are identified. The relationship of the policy proposal to the barriers to training identified in Chapter 6 is also shown. Furthermore, two attachments to the chapter present matrices showing the proposed policy options and how: (i) those proposals and its stated objective relate to a particular stakeholder (government in its various roles, enterprises, individuals and intermediary institutions); and (ii) the specific part of the data analysis presented in this report which supports, or provides justification for, the proposal.

7.2 Elements of a Policy Framework

7.2.1 International Year for Older Persons and the National Strategy for an Ageing Australia

The immediate context for the focus on possible policy options to address barriers to training for older persons was the International Year for Older Persons (IYOP) in 1999. This was made clear in the project brief provided in the Department's Request for Tender.

> *The research Project is expected to form an important part of the Education, Training and Youth Affairs Portfolio's contribution to the Government's activities in support of the IYOP. The Government is committed to promoting the benefits of a diverse and balanced workforce, in terms of age among other attributes. This includes promoting the economic advantages of retaining and retraining older workers. A priority for the IYOP will therefore be to ensure tangible benefits from the year for older people.*
>
> *The practical challenge is to develop strategies for effective participation in job related training by older workers who wish to develop their careers.*

The most important reference point for framing possible policy options is the Commonwealth Government's National Strategy for an Ageing Australia which is itself a response to the International Year of Older Persons. The purpose of the National Strategy on Ageing is to develop 'a broad ranging framework to identify challenges and possible responses for government, business, the community and individuals to meet the needs of Australians as they age' (Bishop 1999b, p. 7). The National Strategy aims to take 'a whole of government approach and will build on work already undertaken to look at possible impacts of ageing in particular areas …'. The Strategy will focus on short-, medium- and long-term policy responses to population ageing as part of a coordinated national framework.

The process for developing the National Strategy consists of the development of four theme discussion papers, as well as two to three specific issues papers. These papers have been released for public consultation and response under four major themes by Inter-Departmental Committees drawn from 18 departments and agencies. They are:

- independence and self-provision;
- world-class care;
- healthy ageing; and
- attitude, lifestyle and community support.

Under the theme of independence and self-provision, two documents were released in November 1999. One is *The Independence and Self Provision Discussion Paper* and the other document is the *Employment for Mature Age Workers Issues Paper.*[78] The former document describes the retirement income system in Australia and assesses how it is placed to meet the challenges of an ageing population. The discussion paper presents information on the importance of employment, savings and planning for retirement and identifies a range of issues for consideration by individuals, governments and the community.

The latter document, the Issues Paper titled *Employment for Mature Age Workers* (Bishop 1999c), discusses the longer-term social and economic implications of an ageing workforce. The paper's objective is to 'contribute to the emerging understanding of the key role that mature age workers (defined as 45 years and older) can play in the workplace of the 21st Century through highlighting the economic and social contribution of this cohort of workers'.

Among other issues, the paper notes that:

> *The Commonwealth Government's main priority in relation to lifelong learning is to ensure that Australians have the skills and flexibility needed to meet the challenges of continuing technological and structural change, and to compete effectively in a globalised economic environment. The economic and social importance of lifelong learning applies to people at all ages. In the context of an ageing workforce, 'lifelong learning' appears increasingly important in ensuring the adaptability of mature age workers. Lifelong learning makes a key contribution to the capacity to remain active and independent. Individuals need to be able and motivated to learn throughout life so that they are equipped with up-to-date skills and competencies and have the choice to work in later life or remain actively involved in the community (Bishop 1999c, p. 22).*

7.2.2 Government's Reference Group on Welfare Reform

Another significant element of the policy framework that needs to be taken into account in developing policy options is the increasing emphasis on the responsibility of the individual as citizen to actively participate in the economy and society. The thrust of the new policy direction is for government to encourage individuals to manage risk better in their lives, particularly in relation to the labour market. This requires that government, enterprises and individuals seek to change the relationship between risk and security. In other words, how public policy can foster an attitude of mind where individuals see themselves over their lifetime in the labour market as 'responsible risk takers'.

The new challenge for public policy, in the words of the terms of reference for the Commonwealth Government's Reference Group on Welfare Reform, is to strike the balance between an ongoing commitment by government 'to maintain a strong safety net and its responsibility to develop policies and strategies allowing all Australians to participate fully in the workforce where they are able' (Newman 1999, p. 1).

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[78] See http://www.health.gov.au/acc/nsaa/nsaapubs.htm for copies of the papers.

Six principles have been identified for the Reference Group to guide the development of public policy in the welfare area. These principles are to:

i. maintain equity, simplicity, transparency and sustainability;

ii. establish better incentives for people receiving social security payments, so that work, education and training are rewarded;

iii. create greater opportunities for people to increase self-reliance and capacity building, rather than merely providing a passive safety net;

iv. expect people on income support to help themselves and contribute to society through increased social and economic participation in a framework of Mutual Obligation;

v. provide choices and support for individuals and families with more tailored assistance that focuses on prevention and early intervention; and

vi. maintain the Government's disciplined approach to fiscal policy.

More recently, in his Federation Address on 28 January 2000, the Prime Minister emphasised the importance of involving a range of stakeholders in the development and delivery of government social policy.[79]

> *Meeting the social policy challenges of the next decade will entail further strengthening a social coalition built on a partnership of individuals, families, business, government, and welfare and charitable organisations — each contributing their unique resources and expertise — to tackle disadvantage at its source, rather than equating the compassion of a society with the size of a distant bureaucracy.*

The Prime Minister also noted in his address that 'one of the greatest challenges to social policy over the next decade will relate to the ageing of our population as the post-war baby boomer generation begins to reach 65'.

> *An important challenge for government is to ensure that Australia is well prepared for this important development. One area where we need to be better prepared is providing choice and opportunity for older people themselves who wish to remain in active engagement with the paid and volunteer workforce.*

7.2.3 The Issue of Age and Employment-related Discrimination

Another important influence likely to shape the policy framework is the increased emphasis within the community on the rights of individual citizens to receive fair treatment in the workplace, particularly in relation to age. This is the theme of *Age Matters: A*

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[79] Copies of the transcript of the speech can be found on the internet at — http://www.pm.gov.au/media/pressrel/2000/federation2801.htm.

Discussion Paper on Age Discrimination issued by the Human Rights and Equal Opportunity Commission in April 1999, followed by the final report in May 2000. The final Report examines a number of age distinctions in Australian law and policy, many of which adversely affect the older population. These include discrimination in workers' compensation, superannuation, recruitment, promotion, retirement and redundancy, social security payments, insurance and health care. The report examines the federal governments' international obligations to eliminate age discrimination. It also makes recommendations for federal action on age discrimination.

7.2.4 The OECD Perspective on Policies on Ageing

The OECD, as a collector and an interpreter of information about the state of policy in the major industrialised countries of the world, is an important reference point to include in the policy framework for policies related to older persons and the operation of the labour market in general. As noted in the literature review, the OECD has called for a strategic approach to policy formulation that cuts across traditional areas of responsibility of government departments.

> *Strategic frameworks, including implementation structures and timetables, should be put in place at the national level now in order to implement these reforms in a coherent way over time (OECD 1998b, p. 17).*

To this end, the OECD has enunciated seven principles to guide policy development for an ageing population. These cover reforms to pension and taxation systems, greater focus on cost-effectiveness in health systems, and improved policy coordination. The relevant principle for present purposes states that:

> *A variety of reforms will be needed to ensure that more job opportunities are available for older workers and that they are equipped with the necessary skills and competencies to take them (OECD 1998b, p. 18).*

A recent survey commissioned by the OECD raised concerns about the capacity of government to handle the complex range of issues involved in relation to age policy in seven countries.[80] The study highlighted the need for Governments to develop more comprehensive approaches to policy such as treating ageing as a lifetime issue.

> *Clearly, the response of policy agencies in government is going to require innovation and creativity within a flexible strategic action plan that will take these constraints into account. New models of government activity are going to be needed. Citizens are going to rely more on information and less on direction. Policy co-ordination will need to be based on co-operation and consensus among agencies and departments and among levels of government. Classical, top-down, rule-based control systems will not function well in this new environment.*

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[80] Australia, Canada, Finland, France, Ireland, Japan and the United States.

> *Consensus building will become an important aspect of policy. There needs to be less emphasis on what technicians and analysts see as best policy or best practice, and more on consensus solutions and practices that please citizens, whatever their age (Mathiasen 1998, paras 105-107).*

The role of Government in many leading OECD countries is now seen as more to do with facilitating change rather than being the sole party responsible for making required change. It also means that other stakeholders, from employers to community groups and individuals are increasingly expected to play a leading role in addressing a society-wide issue such as the relative position of older persons in the population.

7.2.5 *Principles to Underpin Policy in Relation to Addressing Barriers to Training for Older Persons*

The above consideration of the different key elements of a policy framework suggests the following guiding principles as reference points for shaping specific policy options. These are:

- Policy needs to address the particular difficulties faced by older persons in gaining access to training and other labour market-related benefits as a means of promoting fairer treatment for this group in society.
- Policy should not be too narrowly targeted or short-term in its focus, as measures to promote individual responsibility for all adults regardless of age, such as lifelong learning, also need to be considered.
- Short and long-term policy initiatives in relation to facilitating the take-up of training need to be integrated with other supporting policy initiatives to be effective in the longer term.
- Policy initiatives should, where possible, foster ways to enable individuals to assume greater responsibility for achieving desired outcomes such as ongoing learning and skills acquisition.
- Stakeholders other than government or the individual also have major roles to play in improving the incentives for individuals to train.
- The role of government should be to act as an initiator and facilitator of changes in attitudes, rather than as a mere funder of discrete programs.
- Governments, as large employers in their own right, are in a strong position to lead by example.

7.3 Barriers to Training for Older Persons: Current State of Public Policy Initiatives in Australia

7.3.1 Limited Effectiveness of Anti-discrimination Legislation

A recent report entitled *Rethinking Work and Retirement* by Fitzgerald and Rooney (1999, p. 51) of the Allen Consulting Group concluded:

> *There has been a recognition that age discrimination is as unacceptable to our society as other forms of discrimination and strong legislation has been enacted to give force to that. Yet clearly that legislation has not had full effect to date.*

This was reflected in this report in the findings from the focus groups, which revealed that discrimination in employment and in access to training was a major issue for older unemployed and employed persons in Australia. Other evidence, cited below, also suggests that there are low levels of public awareness of the situation facing older persons in the labour market.

For example, a recent survey of over 500 senior executives and HR managers nationwide by Drake Management Consulting found evidence of widespread age discrimination in the recruitment and retrenchment practices of employers despite the existence of State and Territory legislation that prohibit age discrimination (Drake Management Consulting 1999). The survey asked senior managers about their age preferences when it comes to recruiting, retrenching and training executive staff. The survey results showed that no respondent said that they would recruit or select managers and executives for employment who were aged over 50. Nearly two thirds of respondents (65 per cent) also said that managers over the age of 50 would be first to go when retrenching staff.

The focus groups conducted for this project highlighted numerous incidents of age discrimination experienced by participants. Recruitment agencies, in particular, were seen by job seekers from middle-management backgrounds as using narrow age selection criterion in preselecting what they deemed to be suitable candidates to employers.

The Human Rights and Equal Opportunity Commission Report notes that age discrimination is unlawful in all States and Territories in the areas of employment, education and training, as well as accommodation, goods and services and clubs. However, it also notes that there are significant variations in the protection extended by State and Territory legislation. Examples given are in relation to exemptions to State and Territory legislation for the use of age in voluntary redundancy schemes (Western Australia) and in relation to compulsory retirement in Tasmania and the Northern Territory (HREOC 2000, p 40).

The Report also points out that Commonwealth employees are not able to submit employment discrimination complaints to State and Territory equal opportunity agencies (HREOC 2000, p 14). Commonwealth Employees not covered by the Australian Public Service Act 1999 are still subject to compulsory retirement, notably those in the Defence Forces.

Commonwealth legislation that does address discrimination in employment, including on the grounds of age, is the Workplace Relations Act 1996. Preventing discrimination in employment is a principal object of the legislation. The object refers to respecting and valuing the diversity of the workforce by helping to prevent and eliminate discrimination on the basis of age and various other specified grounds. With respect to the industrial awards of the Australian Industrial Relations Commission (AIRC), the legislation indicates that the model anti-discrimination clause endorsed by the AIRC in its October 1995 Safety Net Adjustment and Review decision can continue to be included in awards (s.89A(8)).

The Workplace Relations Act 1996 also includes provisions designed to prevent and eliminate discrimination in both certified agreements (CA) and Australian Workplace Agreements (AWA). Specifically, these are that the AIRC must refuse to certify a CA, whether made between employers and unions, or directly between employers and employees, if it discriminates against an employee on any of the specified grounds. Employers are required under the legislation to ensure that AWAs, made directly between employers and employees and signed individually, include anti-discrimination provisions that are prescribed by the regulations. If the AWA does not include these provisions, it is taken to include them.[81] If an employee believes that their AWA is discriminatory on the ground of age, they may lodge a complaint with the Human Rights and Equal Opportunity Commission.

The definition of employment covered by the Commission's complaint handling procedure is a broad one and includes access to vocational training, as well as access to employment and to particular occupations, and terms and conditions of employment. However, the Human Rights and Equal Opportunity Commission Act 1986 Act does not make discrimination unlawful and the Commission's determinations are not enforceable under law (HREOC 2000, p 15). This is in contrast to sex, disability, or race discrimination under State and Territory legislation, where if an employer discriminates on the grounds of employment, he or she is acting unlawfully under the relevant Sex Discrimination Act, or Race Discrimination Act. The Human Rights and Equal Opportunity Commission Act 1986 Act confers on the Commission the powers to investigate age complaints only. The Commission has no authority to direct in a specific case that changes to age discriminatory practices are made.

State and Territory anti-discrimination and equal opportunity legislation, however, does prohibit discriminatory behaviour concerning age in relation to promotion, transfer, access to training and other work-related benefits. However, what is required to comply with the legislation is said to be not easy to discern because 'interpretation of much of the legislation is still uncertain' (Bennington & Calvert 1998, p. 138).

The issue of whether additional Commonwealth legislation in relation to age discrimination is needed to cover gaps in existing legislation, provide uniformity and to set minimum standards is open to debate (Lindsay 1996). However, in one respect, it could be argued that Commonwealth legislation could aim to promote best practice models of behaviour, in an area where it could be seen at present as lagging behind the legislative framework provided by the States and Territories. The issue is not one of avoiding overlapping legislation (this is a matter of savings provisions) but of establishing a strong normative framework in relation to good employment practices. The challenge for public policy is to go beyond setting minimal standards in relation to employment to develop ways, either through legislation or through other means, to encourage employers and employees to adopt high standards of behaviour in the workplace. This appears to be the thrust of the new Commonwealth Equal Opportunity for Women in the Workplace legislation (Reith 1999).

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[81] Since the introduction of the Workplace Relations Act, the percentage of certified agreements containing anti-discrimination provisions has steadily increased. Over twenty per cent of certified agreements now have these provisions (information supplied by the Department of Education, Training and Youth Affairs, May 2000).

7.3.2 Limited Use of Managing Diversity Programs at the Enterprise Level

The above assessment suggests that Australia, unlike the United States, does not have a comprehensive legislative framework or normative culture influencing how employers make decisions regarding recruitment, promotion, training, retrenchment and retirement. Existing anti-discrimination legislation does not appear to have had a major impact on changing community attitudes. Managing diversity programs covering anti-discrimination policies, training programs, and recruitment practices originally emerged in the United States in the late 1980s as a means of putting affirmative action principles into practice (Thomas 1990). However, while they are firmly established in the USA, their presence is limited in Australia.

In the US, data from the early 1990s shows that diversity initiatives had been adopted by 70 per cent of Fortune 500 companies (Kelly & Dobbin 1998).[82] Moreover, in a 1991 study involving 406 respondents from the US Conference Board's general membership of large companies, training in diversity for managers and official policy statements on diversity were found to have been adopted by more than half of these companies (Kelly & Dobbin 1998, p. 971). Indeed, training and policy statements topped the list of diversity practices.

By comparison, anecdotal evidence relating to Australian enterprises suggests that the proportion of even large enterprises implementing a diversity program is far smaller. A recent article in *HR Monthly* (Vines 1999) noted an assessment of implementing diversity practices by the Managing Director of the employer-funded Council of Equal Employment Opportunity Limited, Rohan Squirchuk: 'I think there are a few companies that are doing it very well. Many others are not really interested in some of the tough parts' (quoted in Vines 1999, p. 22).

Data on the incidence of Affirmative Action policies and programs for women in Australia offer a good indication of the receptiveness of employers to efforts by Government to change attitudes and behaviour in the workplace. The 1995 Australian Workplace Industrial Relations Survey showed that 70 per cent of Australian workplaces with 20 or more employees had a written EEO or Affirmative action policy (Curtain 1997).[83] However, only 12 per cent of the workplaces surveyed could be described as having a pro-active approach to circulating or making known their EEO or affirmative action policy. A fifth (20 per cent) of workplaces had what can be described as an average approach and nearly a quarter (23 per cent) could be described as having a passive approach with 7 per cent classified as displaying a minimal approach (Curtain 1997).[84]

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[82] The prevalence of diversity initiatives, however, is much lower among smaller companies in the US.

[83] The survey defined EEO as 'procedures for dealing with complaints of sex and race discrimination and harassment'. Affirmative Action is defined in the Survey as a 'program of action for women designed to eliminate discrimination and promote equal employment opportunity in relation to employment matters' (Curtain 1997).

Where managing diversity programs do exist, older employees are usually not a target group identified for attention. The Victorian Office of Public Employment requires Victorian public sector agencies with 100 or more employees to provide qualitative reports on merit and equity within a set managing diversity framework. However, none of the diversity programs reported on by the Office in 1997, 1998 and 1999 had a specific focus on older employees.

7.3.3 No Public Framework that Defines a 'Good Employer' or 'Good Trainer'

As noted in Chapter 2, the levels of participation in Australia by adults in job-related training is not especially high by international standards, and is a long way behind some industrial nations — notably the UK and the USA. One reason for the difference with the UK may be that compared with the UK, Australia lacks a well publicised framework for defining and assessing what constitutes a good employer including provision of opportunities for training and development.

Again as discussed in Chapter 2, the UK has adopted a National Standard — Investors in People — that sets a level of good practice for training and development of people to achieve business goals. The Standard was developed during 1990 by the National Training Task Force in partnership with leading national business, personnel, professional and employee organisations such as the Confederation of British Industry (CBI), Trades Union Congress (TUC) and the Institute of Personnel and Development (IPD).

The Standard now covers over a third of the UK workforce and thus offers a good example of what such a framework is and how successfully it has been diffused in the public and private sector (UK Investors in People 2000). Since 1996, Australia has taken steps towards implementing the Investors in People Standard. However, this Standard has had far less of an impact in Australia than it has had in the UK and currently the federal government provides no funding to facilitate its implementation.

Several reasons for the different response to Investors in People in Australia compared with the UK were canvassed in the literature review in Chapter 2. These include mandatory adoption by government departments and agencies in the UK — by comparison, as of June 1999, only eight public sector agencies in Australia were pursuing the Standard, and only one agency has been fully accredited. Another is that the major promoter of the Standard was not government or a government agency as in the UK. Instead, the Australian Institute of Management took on the task of promoting and marketing the Standard, and insufficient infrastructure and funding may have hampered their ability to fully market and promote the Standard. Third, an initial budget of $1 million, provided by the Australian government to

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[84] Four response options for distribution strategy were identified: i) pro-active — information sessions have been held with employees to explain the policy AND employees get a copy of the policy when they begin employment or the policy is distributed individually to employees or the policy is displayed on noticeboards; ii) average — employees get a copy of the policy when they begin employment or the policy is distributed individually to employees (and information sessions not held); iii) minimal — any other distribution strategy not covered by i and ii above; and iv) no policy (see Curtain 1997).

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launch, market and pilot the Standard in Australia, was much less substantial than the funding provided in the UK.

Another feature of Investors in People that may have been unattractive to Australian enterprises is the 'not invented here' problem. The case study of the Public Correctional Enterprise, conducted for this project, revealed that this organisation has taken up the Australian Business Excellence Framework developed by the Australian Quality Council (see Chapter 5). However, there is no explicit focus on training as there is in the Investors in People framework.

7.3.4 Absence of Initiatives to Promote Lifelong Learning and Appropriate Performance Measures

The literature survey also noted that unlike the UK, Australia does not have an explicit national policy aimed at promoting lifelong learning. While there is no publicly announced lifelong learning policy in Australia, a range of education and training reforms for some years has been driven by this concept, resulting in a range of structures and measures aimed at promoting lifelong learning. However, according to a report of the Senate Employment, Education and Training References Committee (1997), little progress has been made in Australia in relation to lifelong learning in moving from rhetoric to action and policy. Scrutiny of the recent annual reports of relevant departments and agencies of federal and State/Territory governments confirms that the 1997 assessment of the Senate Committee is still current. The major block seems to be over funding issues and specifically, the relative contributions from individuals, companies and governments (Scollay 1999a).

7.3.5 Lack of Targeted Assistance for Unemployed Older Workers

The literature review cited a recent assessment by the Department of Family and Community Services of government initiatives in relation to older persons in the labour market. The assessment noted that 'there has been very little new Australian information on the relative effectiveness of labour market programs for different age groups since 1993' (DFaCS 1999a).

Current Federal programs

In terms of current federal labour market programs and training for older persons, the new Job Network arrangements leave it to each service provider to develop their own set of support measures to assist persons from disadvantaged groups into employment. However, two targeted programs of assistance with potential to assist older job seekers to gain access to training are funded by the federal government. These are the Return to Work program and the Jobs, Education and Training (JET) program.

In the 1999-2000 budget, the Federal Government committed $24 million over four financial years, 1999-2003, to fund the *Return to Work Program*. The Program aims to provide skills assistance, build confidence and increase familiarity with current technology for people seeking to re-enter the labour force after an absence of two or more years due to their roles as primary carers. The program will provide job seekers with individual and flexible assistance in such areas as skills assessments, career planning and developing training plans.

The JET Program is targeted at sole parent pensioners, carer pensioners and widow pensioners to help them find paid employment. JET clients are primarily women with caring responsibilities, particularly for children. The Program description notes that their caring responsibilities may make it difficult for these women to get paid work — they may have spent substantial periods out of the workforce, leading to low confidence levels and few contacts or networks in the labour market.

Centrelink undertook 54 000 JET new customer interviews in 1998–99. Around 9400 customers were assisted through funding of pre-vocational courses during the year. While $3.08 million was allocated to pre-vocational training, only $1.63 million was spent or committed by the end of June 1999. As a result, a review of pre-vocational training funding was initiated to determine the reasons for the excess financial capacity (DFaCS 1999b, p. 100).

Special labour market program assistance is not available for the older unemployed. However, there is a commitment in the Commonwealth Government's Statement *Our Commitment to Australia's Seniors* in relation to the International Year of Older Persons, to develop a project 'to assist and promote mature age job seekers in the Job Network' (Bishop 1999a, p. 20).

State Government programs

Some State governments operate programs for mature age job seekers. NSW has had a program since 1989 called the NSW Mature Workers Program. The program aims to 'maximise retention of mid-life and older workers in the workforce and to facilitate the entry of unemployed mature aged people into the workforce' (NSW Department of Education and Training 1998). A 1994 evaluation of the program showed that it has been successful in achieving employment and training placements for many older persons. The major criticism of the Program, as noted in the evaluation, was that heavy caseloads often did not allow staff to follow-up clients sufficiently well.

The 45 Plus Skills Initiative was launched in March 1999 by the Kennett Government in Victoria. The 45 Plus Skills Initiative includes: the introduction of the pilot training program – SkillsPay; a community information/education campaign which will involve appropriately tailored material being directly distributed to employers and employees; and a 1800 telephone hotline to provide employers and job seekers with details about training and finding a job. The program aims to 'challenge the way some employers view mature-aged jobseekers as well as encourage and financially assist unemployed workers to maintain and improve their skills to make themselves a more employable part of a rapidly changing workforce'.[85]

SkillsPay provides unemployed job seekers, aged 45 plus with relevant skills training linked to a job. Employers are provided with the opportunity to employ people aged 45 plus who are trained with the skills required for the job at hand. SkillsPay is administered through the Community Business Employment (CBE) Program network of over 100 sites throughout Victoria. Employment Victoria subsidises the training to a maximum of $340 (Minister for Industry, Science and Technology 1999). However, only a small number of older job seekers have participated in the program to September 1999.

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[85] Reported in a news release from the Office of the Victorian Minister of Industry, Science and Technology on 18 March 1999 titled 'Government Pioneers Assistance for "Older" Jobseekers'.

The Western Australian Department of Training and Employment is implementing a Mature Employment Program (MEP) pilot. The initiative is aimed to be an early intervention mechanism to assist into employment those aged 45 and over with a primary focus [illegible] those job seekers that have been unemployed for 3 to 12 months and who are not currently in receipt of assistance from the Commonwealth Job Network. Assistance to mature job seekers will be provided under a number of separate but complementary elements within the program. The first is the use of a network of Mature Employment Access Officers (MEAO) to provide one to one counselling to provide advice and assist mature job seekers to improve their employment options. Most MEAO officers will co-locate within the Job Link network. The second element is to develop a blueprint for regional and local intervention strategies when redundancies and retrenchments occur. Funds will be available on a needs basis. The third element will aim to help older job seekers explore new work options through workshops and undertake one-to-one counselling sessions, address barriers to learning and take immediate action to assist an individual to overcome barriers to employment or training.

The ACT Government has set up the Restart Pilot Program to assist mature job seekers to obtain work. Under the program, an employer receives a $2500 incentive payment for hiring an employee aged 40 years or over. As of June 1999, 57 mature people had found work through the scheme since 1 April 1999. The South Australian Government has also instituted an incentive scheme for employers to hire mature age job seekers. Employers are eligible to receive incentive payments of up to $2000 per older job seeker that they employ.

7.4 Suggested Policy Options

There are several dimensions to how policy options can be presented. The first is to identify the range of stakeholders that could be involved in the development and delivery of the policy proposal. The second is to show the empirical support based on data presented in this report for a particular policy proposal. Third, it is also possible to show how the options relate to the involvement of particular stakeholders. The fourth dimension is to present the policy proposals within a suggested time frame for development and implementation.

7.4.1 Identification of Relevant Stakeholders

A number of relevant stakeholders in the policy formulation and implementation process can be identified:

- Government as policy formulator and policy coordinator
- Government as funder of services to citizens
- Government as a major employer in its own right

- Service providers funded by government eg education and training providers
- Enterprises, large and small
- Individual citizens, families and friends
- Intermediary institutions: employer associations, unions, and other non-government organisations.

The new policy context suggests that any formulation of possible policy options should also make reference to relevant stakeholders. It is now an important element in formulating policy options to also identify which stakeholders should be expected to take responsibility for formulation and implementation

7.4.2 Identified Barriers to Training

The previous chapter outlined six barriers to training for older persons, based on an analysis of the research reported in Chapters 2 to 5. Table 7.1 below outlines the proposed policy options in relation to each of the barriers identified. A major barrier to training facing older job seekers and older employees stems from prior discrimination by employers and their representatives through the recruitment and selection process. The response proposed here is to seek to change community attitudes at large through a facilitator agency such as the Human Rights and Equal Opportunity Commission or the Affirmative Action Agency supported by appropriate legislation. A range of performance indicators is also proposed (See Table 7.1).

Also needed is a policy response that is concerned with promoting good practice at enterprise level, as proposed in the Voluntary Guidelines on Age Diversity. The impact of this initiative will be all the more lasting if government as employer also leads by example.

A more specific focus on the barriers to training facing the long-term unemployed could be addressed through policy changes that would require relatively little change to current arrangements. One suggested change that could be implemented quickly is a Service Charter for those eligible for Intensive Assistance to better empower older job seekers to identify their own training needs. Another suggested policy response is to change the target groups of existing labour market programs to meet the needs of older job seekers.

Barriers to training also stem from older persons' self perceptions, which in turn are shaped by general community attitudes about what is the expected behaviour for people at certain ages. This requires a longer-term strategy to change attitudes of older people and the community at large about appropriate behaviour, particularly in relation to the responsibility of individuals and the changing nature of retirement compared with the past. It is also proposed that self-perceptions in terms of the capacity to learn at older ages can be addressed by instituting 'user choice' arrangements for individuals wanting to undertake further education or training. Through user choice arrangements, older individuals and groups have greater scope to specify the most appropriate learning modes in terms of format and mode of delivery.

Table 7.1: Barriers to training for older persons and possible policy options

Barrier to Training	Possible Policy Option
Absence of paid work for the long-term unemployed.	Service Charter for those in Intensive Assistance. Employment based on-the-job training for older unemployed. Government to form a network of employment services providers to exchange good practice information on older people's take up of options available under Intensive Assistance. Extend Return to Work program to include older unemployed.
Capacity to learn varies with age.	Encourage older individuals to specify appropriate forms of learning for them through "user choice" arrangements funded through Lifelong Learning accounts
Low level of education attainment and concentration of older age cohort in low skilled jobs.	Federal government to set national targets for lifelong learning for adults overall and specific age groups and to identify which stakeholders are responsible for achieving which targets. Federal government or State Governments to establish Lifelong Learning accounts. Government to fund a large-scale promotion campaign on need for lifelong learning.
Consistency in Public Policy to Retirement Age.	The financial incentive to early retirement is being addressed with the changes to the Preservation age for superannuation Government as employer to implement Age Diversity Voluntary guidelines.
Discrimination by employers in recruitment, selection for redundancy, access to training and promotion of employees.	Investigate the most effective way, whether by legislation or using other means, to develop and set best practice employment standards. Set up, under the auspices of the legislation, a council of key stakeholders to develop industry specific guidelines for non discriminatory behaviour and monitor implementation Establish appropriate national and regional performance indicators and implement outcomes-focused and organisation-specific reporting arrangements. Implement Voluntary guidelines on Age Diversity at enterprise level. Develop appropriate performance indicators of the take up of enterprise voluntary guidelines on age diversity and ratio of older job seekers applying and being selected for employment.

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Barrier to Training	Possible Policy Option
Older persons' self-discrimination.	Federal government or State Governments to establish Lifelong Learning accounts Employer and industry associations implement at enterprise level Voluntary guidelines on Age Diversity at enterprise level.

Table 7.1 needs also to be read in conjunction with the tabular information presented in Attachments 7A and 7B. Attachment 7A shows how the policy proposals with their stated objectives relate to a particular stakeholder (government in its various roles, enterprises, individuals and intermediary institutions). Attachment 7B shows the link between a specific policy proposal and the data analysis presented in the earlier chapters of this report that supports, or provides justification for, the proposal.

7.4.3 Raising Public Awareness Through Legislation

The HREOC Discussion Paper on Age Discrimination (HREOC 1999) notes that voluntary action based on accurate information can be effective in eliminating age discrimination. However, it goes on to point out that public awareness can be greatly enhanced if it is supported by legislation, particularly where the legislation includes a public education function. The paper notes that one function of HREOC under the *Disability Discrimination Act 1992* (Cth), for example, is 'to promote an understanding and acceptance of, and compliance with, this Act' (section 67(1)(g)).

The above analysis suggests that there is a gap in relation to age in federal anti-discrimination legislation. The evidence presented above also suggests that the existing legislation provisions appear to be having limited or little effect in eliminating age discrimination in employment.

The analysis has also highlighted the low coverage of voluntary and quasi-voluntary enterprise initiatives such as Investors in People, and diversity and affirmative action programs to encourage the adoption of fair treatment practices in the workplace. Comparative data suggests that enterprises in the USA and the UK are more conscientious about implementing programs to change workplace attitudes and behaviour in relation to fair treatment than are comparable enterprises in Australia.

Suggested responses include the following.

- Extend federal anti-discrimination legislation or investigate other means of promoting best practice standards for employers in relation to recruitment, selection, promotion, transfer and termination, training and staff development, terms and conditions of employment, and work organisation.
- 'Employment' should be regarded as including advertising job vacancies, the selection process, the terms and conditions of employment, training and promotion opportunities as well as termination of employment. Individual contractors, apprentices and casuals should be included in the definition of employment. Employment agencies and trade

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unions should be encourage to meet the standards as well as employers (HREOC 1999, p. 59).

- Under the auspices of the legislation, set up a council of key stakeholders to develop industry specific guidelines (as is being done for affirmative action for women), backed by a secretariat to monitor the implementation of the legislation.
- The best practice standards should cover non age discriminatory practices in relation to recruitment, selection, promotion, transfer and termination, training and staff development, terms and conditions of employment, and work organisation.
- Establish performance indicators such as the share of new hires in the previous 12 months by industry who are 45 years and over, and the age profile of retrenched workers in the previous 12 months compared with the age profile of the industry labour force.
- The implementation of outcomes-focused and organisation-specific reporting arrangements should also be investigated. These reporting arrangements could include analysis of an organisation's workforce profile, priority areas for achieving a more age diverse workforce, an action plan, and internal measures used and outcomes achieved.

7.4.4 Promoting Public Awareness of Older Persons at the Enterprise Level

There are a number of models of enterprise best practice in relation to the training of older persons. This report detailed three case studies of Australian enterprises (see Chapter 5). Other studies provide information on a large number of examples of particular enterprise initiatives or more comprehensive strategies in Europe and North America (e.g., Walker 1997). Although there are numerous examples of particular initiatives, there are relatively few examples of enterprises implementing a comprehensive strategy aimed at combating age barriers, direct and indirect, and creating an organisational environment in which individuals are able to achieve their potential without being disadvantaged by age. There thus would appear to be considerable scope for enterprises to take a more holistic approach to learning opportunities for employees.

Stakeholder involvement should include employer associations who could encourage their members, operating within industry-specific guidelines, to adopt managing age diversity policies. However, a focus on managing age diversity may be seen by some enterprises as too narrow or minimalist in scope. Employer associations, therefore, may wish to promote a more comprehensive model of good practice to justify the title of 'good employer'. This more comprehensive model of good practice could include a more pronounced emphasis on employee training and development opportunities. This approach is discussed further in the next section below.

A good precedent exists in Australia in relation to the role of employer associations encouraging the adoption of good practice, however defined. The Minerals Council of Australia, for example, has responded to government and community expectations by involving member companies in the development, implementation and monitoring of a safety and health policy. The Minerals Council of Australia uses the annual publication of safety performance indicators, based on data supplied by the enterprises themselves, to bring pressure on their members to improve their safety and health record. Supporting the 'stick' of collection and public reporting of performance data is the 'carrot' of a public recognition process by the Minerals Council of Australia for top performers: the National Safety and Health Innovation Awards.

The key components of the Mineral Council's approach are:

:: formulation of industry-wide policy by high profile enterprise representatives;

:: collection of relevant performance data based on a small number of indicators;

:: public release of performance data to apply pressure on laggard performers; and

:: the use of a public recognition system of awards run by high profile enterprise representatives to reward good performers.

The above outline of the Minerals Council's approach to encouraging the adoption of 'good practice' in relation to safety and health suggest that a similar framework could be applied to the broader but entirely complementary process of monitoring age discrimination.

The absence of a framework that specifies what is a good employer and trainer suggests the need for a publicly recognised award that enables enterprises to advertise themselves as good employers. This award needs to be based on a range of appropriate indicators including measures to provide easy access to training and development opportunities and to promote a diverse workforce profile in terms of age, gender, race, culture, disability, or other disadvantage.

As mentioned in the literature review in Chapter 2, the UK Government has developed and is promoting a non-statutory Code of Good Practice on Age Diversity for employers. The purpose of the Code is to show how businesses can take steps to ensure that 'they choose, retain and develop the best person for the job by eliminating the use of age as an employment criterion' (UK DfEE 1998a, p. 13). The main justification for such a Code is based on the need for enterprises to maintain a competitive edge by employing a workforce that is diverse in age and reflects the demands of its changing community and potential markets.

The UK Code of Practice covers good practice in six aspects of the employment cycle: recruitment, selection, promotion, training and development, redundancy, and retirement. Specifically in relation to training and development, the Code urges employers to encourage all their employees to take advantage of relevant and suitable training opportunities. A adapted version of the Code, Voluntary Guidelines on Age Diversity, is presented in Box C below.

Suitable performance indicators may include monitoring over time the ratio of older job seekers to the number of job vacancies overall and by industry sector, region, and broad occupation grouping.

Government as employer

There is considerable scope for governments, at both state and federal level, to implement the Voluntary Guidelines as major employers in their own right. This could involve examination of each department and agency's recruitment and promotion practices to see if age is used appropriately. It could also involve the use of non-age specific training methods and, where necessary, training methods that are sensitive to the special learning requirements of older workers. As noted above, the Commonwealth Government in 1998 legislated to abolish compulsory retirement from the Commonwealth Public Service. This change of policy needs to be backed by other supporting policies focused on identifying and removing the barriers to continued employment for older persons in the Public Service.

7.4.5 Promoting Lifelong Learning

Three broad policy options are suggested as ways to promote a longer-term approach to removing the barriers to training for older persons. The first proposal is for the federal government to set national targets for lifelong learning for adults overall and specific age groups. The setting of national targets should also identify which stakeholders (e.g., government as a funder of education and training, employers, intermediaries, and individuals) are responsible for achieving which targets.

These performance indicators could also include information on the relationship between access to training opportunities and the employment rate of older persons. This could be done by showing the employment outcomes or wage levels of older persons who had undertaken training over a recent period compared to the same age group who had not undertaken training in the same period. More specific indicators could also be reported on, such as the take-up of recognition of prior learning credits by mature age job seekers and employees.

The second proposed policy option to help promote lifelong learning is for the Federal or State Governments to establish Lifelong Learning Accounts. These could operate similar to superannuation funds offering individuals a tax incentive (or a direct monetary payment if unemployed) for funds invested by the individual in his or own learning. Other stakeholders such as employers, through enterprise bargaining for example, could also make a contribution. It is essential that, like superannuation funds, the life-long learning accounts be portable between employers. A model for lifelong learning accounts is the recently implemented Individual Learning Account concept in the UK (UK DfEE 1999).

The third suggested policy to promote lifelong learning is for governments to fund a large-scale promotion campaign to promote the need for lifelong learning. This could be done by involving intermediary organisations such as employer associations, trade unions, employment services providers and churches. The campaign could focus on the responsibility of individuals to invest in their own learning with appropriate support from government, employers and employment service providers.

The particular benefit from using intermediary associations is that they are likely to have high credibility with individuals. The strong self perception among many older people that they do not need to invest in further learning was amply demonstrated by the national data and the focus groups conducted for this report. This perception is likely to be more effectively addressed if the message about the need for older persons to change their attitudes and behaviour comes from representative groups with which adults are in regular touch. A general omnibus campaign conducted by ANTA or state training systems are not likely to be as effective due to the low recognition and credibility of the message sender.

7.4.6 *Improving Access to Training for Older Unemployed Persons*

Service charter for those in intensive assistance

The responses of unemployed focus group participants suggested that the capacity of older job seekers to access various forms of assistance such as training was uneven and highly variable. The data analysis showed that older job seekers are more likely to have longer durations out of work than other job seekers. This means that they are more likely to be eligible for Intensive Assistance funded through the Job Network.

The focus group participants claimed that different employment services providers appeared to offer different levels of intensive assistance, especially in relation to access to training. The absence of information about the range of options under intensive assistance serves to place older job seekers in a dependent position. It means they can only discuss their options from a position of weakness.

Box C: Suggested Voluntary Guidelines for Enterprises on Age Diversity

RECRUITMENT

:: Recruit on the basis of the skills and abilities needed to do the job.

SELECTION

:: Select on merit by focusing on

— application form;

— information about skills and abilities; and

— performance at interview.

PROMOTION

:: Base promotion on the ability, or demonstrated potential to do the job.

TRAINING AND DEVELOPMENT

:: Encourage all employees to take advantage of relevant and suitable training opportunities

REDUNDANCY

:: Base decisions on objective, job-related criteria to ensure the skills needed to help the business are retained.

RETIREMENT

:: Ensure that retirement schemes are fairly applied, taking individual and business needs into account.

Source: Adapted from the UK Department for Education and Employment (1998a).

There may also be a moral hazard problem for the employment services provider because the incentive is to minimise information on the range of options available so as to reduce costs. It was suggested in one focus group that there is a need for older job seekers to know what sorts of assistance a Job Network provider is required to provide under the terms of their contract with government. It was suggested that this could take the form of a Service Charter that is publicly displayed at the employment services providers premises and handed to older persons who are entitled to intensive assistance. Providing information through a Service Charter about the range of assistance that is potentially available could help older job seekers negotiate with their employment services provider about suitable training options on a more equal basis than at present.

Employment services providers could also be encouraged to form a network to exchange information on good practice in relation to the application of intensive assistance funding to meet the needs of older people. This exchange of information is likely to be particularly useful in relation to the available training options for the mature age unemployed.

Providing access to employment based on-the-job training for older unemployed

The focus groups with the long-term unemployed older persons indicated the lack of value in training that was not linked to employment. Smith (1999, p. 109) has labelled this attitude as 'tactical learning', referring to the highly selective nature that older people may have about the value of acquiring further skills. The range of often-implicit soft skills required by in-person service work in particular suggests the need to provide opportunities for older people to learn in the context of an employment relationship. Traineeships with their combination of structured training and employment provide a period of probationary employment. Traineeship arrangements provide both parties the opportunity to assess their capacity to meet employer requirements and expectations. Traineeships also provide employers with an incentive payment up-front. This incentive payment could be increased by the employment services (Job Network) provider to make the older job seeker with a disadvantaged status (such as duration of unemployment) more attractive to employers.

Although vocational education and training has an ongoing focus on young persons undertaking apprenticeship and other entry-level training, during the past decade the proportion of clients between the ages of 20-59 has increased from 63 per cent in 1987 to 77 per cent in 1997.[86] However, this change in the age profile of apprentices and trainees has not been through an explicit policy decision to target older persons for this form of employment-based training.

Traineeships, specifically designed and marketed to older persons, offer the chance to address, through close contact between employer and employee, the discrimination faced by older job seekers at interview to which focus groups made frequent reference. Part of the explanation for discrimination was the perception by employers that older people were not as flexible, accommodating and enthusiastic as younger people. If soft skills are important in placing older people on a level footing with younger people, it might mean they need a period in the workplace to show they can do it. The difficulty at present is that everything gets focused on the short selection interview.

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[86] Information supplied by Department of Education, Training & Youth Affairs, May, 2000.

Older people could use a period of probationary employment linked to training to demonstrate that they have the required soft skills or alternatively that they are not suited to the work. The traineeships are marketed for young people at present. There is evidence from WA to suggest that the proportion of traineeships going to those over 45 is very small. Traineeship-type arrangements targeted specifically at older persons may need to be 'rebranded' so as to increase its appeal to both employers and the older unemployed.

Additional assistance, currently now available to some adult unemployed persons through the *Return to Work* Program, could be extended to a larger target group which includes older unemployed job seekers. The program at present is targeted at people who have been out of the workforce for two years or more due to their roles as primary care givers of children under the age of 16 years or carers of those who are aged, sick or have a disability. Under the program, people wishing to re-enter the labour force are provided with individual and flexible assistance in such areas as skills assessments, career planning, assistance with developing training plans, familiarisation with information technology and help with access to and purchase of training.[87]

7.5 Possible Policy Options: Time Frame

The following time frame for the development and implementation of the above policy options is suggested. The short-term time frame refers to policy options that could be initiated fairly quickly such as the drafting of legislation or developing industry guidelines for identifying 'good employers'. However, this is not to claim that a policy initiative listed as a possible short-term initiative will have an impact in the short term. In the case of legislation, for example, it may take several years for changes in attitudes and behaviour to be observable. Other short-term initiatives such as instituting a Service Charter for the long-term unemployed in Intensive Assistance or the changes to a program's target group can be expected to have more immediate impact.

Policy initiatives listed as more suitable for implementation in medium term are so designated because they would require more preparatory time to allow appropriate consultation and working through the details of how they work be operationalised. These considerations apply *a fortiori* to those policy options listed as long term. The range of stakeholders involved in an initiative like the Lifetime Learning Accounts would require extensive negotiations to put in place the appropriate arrangements, as it did with the new near universal superannuation arrangements. Table 7.2 presents a timetable in relation to policy options for the older unemployed. Table 7.3 presents policy options for the older employed.

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[87] For further details concerning the Return to Work program, see the Federal government fact sheet available on the internet at — http://www.dewrsb.gov.au/budget/factsheets/rwp.htm.

7.6 Conclusions

The suggested policy options to encourage greater participation by older persons in training have focused on the specific needs of older people, especially the long-term unemployed. The proposed initiatives have also focused on all age groups to changes in attitudes to, and to otherwise facilitate investment in, further learning. The policy initiatives proposed have been directed not merely at government, in its various roles as funder of services and employer in it own right. Other stakeholders such as enterprises, intermediary associations such as employer associations, unions and churches were identified as agents for policy implementation. The policy options identified also varied from the minimalist (e.g., legislation against age discrimination where the onus is still on the individual to make a complaint; promoting the concept of a 'good employer') to the maximalist. The latter refers to initiatives such as implementing Voluntary Guidelines on Age Diversity for enterprises and Lifetime Learning Accounts for individuals but involving contributions from government and employers.

The pressures for individuals and enterprises to change their behaviour will come from both external sources, such as skill shortages, and internally from within enterprises that regard the implementation of good practice as a necessary element in their strategy to remain competitive. However, these pressures are likely to produce variable responses for different groups among the population, with the more educated likely to benefit disproportionately. This report has argued that there is considerable scope for government policy to encourage best practice by instituting frameworks that promote the take up of more training opportunities for older persons who are among the long-term unemployed (where it is linked to employment), for those older persons in the labour force with low levels of education attainment, and for older employees in commercial enterprises in the private and public sectors.

Table 7.2: Possible Policy Options to Address Barriers to Training For Older Unemployed Persons

Time frame	Policy options for older unemployed
Short term (within the next 12 months)	Investigate the most effective way, whether by legislation or using other means, to develop and set best practice employment standards. Develop performance indicators about access of older unemployed to job vacancies and training. Develop and implement a service charter for older unemployed eligible for Intensive Assistance. Form a network of employment services providers to exchange good practice information on older people and take up of options available under Intensive Assistance. Extend *Return to Work* program to include older unemployed. Develop appropriate performance indicators of the take up of enterprise voluntary guidelines on age diversity and ratio of older job seekers applying and selected for employment. Develop proposal to extend traineeship arrangements to mature-age unemployed. Appoint a Council of major stakeholders to develop industry specific voluntary guidelines to promote age diversity in employment.
Medium term (2 to 3 years)	Set up supporting agency to promote and monitor the take up of best practice employment standards. Develop proposal for Lifelong Learning Accounts. Implement through Council of major stakeholders industry-specific voluntary guidelines to promote age diversity in employment. Implement new traineeship arrangements for mature-age unemployed. Monitor performance of above initiatives.
Long term (4 to 5 years)	Implement Lifelong Learning Accounts. Report on proportion of older persons in employment and type of employment.

Table 7.3: Possible Policy Options to Address Barriers to Training for Older Employed Persons

Time frame	Policy options for older employed
Short term (within the next 12 months)	Investigate the most effective way, whether by legislation or using other means, to develop and set cover all aspects of best practice employment standards Appoint a Council of major stakeholders to develop industry specific voluntary guidelines to promote age diversity in employment. Include within departmental and agency service charters specific mention of needs of older persons in employment. Develop appropriate performance indicators of the take up of enterprise voluntary guidelines on age diversity and ratio of older job seekers applying and selected for employment.
Medium term (2 to 3 years)	Implement through Council of major stakeholders industry-specific voluntary guidelines to promote age diversity in employment. Develop proposal for Lifelong Learning Accounts. Set up supporting agency to monitor age-based anti-discrimination legislation and carry out public education role. Monitor performance indicators of the take up of enterprise voluntary guidelines on age diversity and ratio of older job seekers applying and selected for employment.
Long term (4 to 5 years)	Implement Lifelong Learning Accounts. Report on proportion of older employees promoted and given access to training at enterprise level compared to share of same age group among applicants for promotion and training.

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Attachment 7A: Possible Policy Proposals for Addressing the Barriers to Training for Older Persons: Policies with Stated Objectives

1. Mature-age Job Seekers

Stakeholder	*Unemployed mature age job seeker proposed policy initiative*	*Purpose*
Government as policy formulator and policy coordinator	• Introduce federal anti age discrimination legislation to cover all aspects of employment.	• Provide a clear statement from Government about the importance of age diversity in the workplace.
	• Appoint a Council of major stakeholders to develop industry specific voluntary guidelines to promote age diversity in employment.	• To involve industry representative's bodies in promoting guidelines to enterprises.
	• Establish a Council secretariat to set up and monitor organisation specific reporting arrangements.	• To monitor effectiveness of other initiatives aimed at increasing take up of training and access to employment.
	• Establish proposed performance measures and targets for mature age job seekers in relation to hiring rate, take up of training and retrenchment compared to other age groups.	• To encourage enterprises to offer more opportunities to older persons in terms of employment, training, promotion etc.
	• Establish Lifelong Learning Accounts that provide a direct monetary incentive for job seekers to invest in training.	• To encourage individuals as job seekers take responsibility for their own learning.

Government as funder of services to citizens	• Provide information through a Service Charter to mature age job seekers in Intensive Assistance about the range of services including access to training they are eligible for under the terms of the Job Network providers contract. • Encourage employment service providers focused on the needs of mature age job seekers to form a network to exchange information on good practice. • Extend and rename the targeted assistance Return to Work program to encompass all mature age job seekers as well. • Extend a traineeship type arrangement to older job seekers.	• Empower older job seekers in Intensive Assistance to negotiate with their case manager an appropriate response in terms of training or access to other services such as adult career guidance. • Encourage an exchange of information related to self-help, and mutual support activities, successful types of training, counselling and job search activities. • To provide mature age job seekers with individual and flexible assistance in such areas as skills assessments, career planning and developing training plans. • To provide structured training delivered through a contract of employment.
Government as a major employer in its own right	• Adopt a Code of Practice on Age Diversity in Employment and Training • Report on proportion of older employees applying and selected compared to share of same age group among applicants for employment.	• Show by example. • Monitor performance.

Service providers funded by Government eg education and training providers	• Adopt a Code of Practice on Age Diversity in access to education and training. • Adopt performance measures of ratio of older job seeker applicants to places allocated to older job seekers. • Adopt measure of older job seekers able to obtain Recognition of Prior Learning compared to number of older job seeker applicants for RPL from same age group.	• Address the particular forms of age discrimination encountered by older job seekers in accessing appropriate education & training. • Assess performance of publicly funded training providers in meeting the training needs of older job seekers. • Assess performance of publicly funded training providers in recognising the prior learning of older job seekers.
Enterprises, large and small	• Adopt a Code of Practice on Age Diversity in Employment and Training developed for relevant industry and region.	• Encourage employers to tap the capabilities of a wider pool of skills particularly in regions and industries where skill shortages are being experienced or are likely to be experienced.
Individual citizens	• Invest in further learning based on a specified career plan.	• Empower individual job seekers to take responsibility for identifying and meeting their own learning needs.
Intermediary institutions: employer associations, unions, and other non-government organisations.	• Promote a Code of Practice on Age Diversity in Employment and Training developed tailored to the characteristics for a particular region, industry, or occupation. • Form a national leadership council of peak organisations (BCA, ACCI and ACTU) to promote private sector efforts to meet needs of employers and employees by tapping skill pool of older persons. • Form a forum of like-minded organisations to promote interest in meeting needs of older workers.	• Show the individual investor in learning that other major stakeholders acknowledge the importance of their investment. • Give a high profile endorsement to effects to improve take of employment and training of older persons: unemployed and employed. • Encourage intermediary organisations to promote good practice among each other.

2. Mature-age Employees

Stakeholder	*Mature age employee*	*Purpose*
Government as policy formulator and policy coordinator	• Introduce federal anti age discrimination legislation to cover all aspects of employment.	• Provide a clear statement from Government about the importance of age diversity in the workplace.
	• Appoint a Council of major stakeholders to develop industry specific voluntary guidelines to promote age diversity in employment.	• To involve industry representative's bodies in promoting guidelines to enterprises.
	• Establish a Council secretariat to set up and monitor organisation specific reporting arrangements for the legislation.	• To monitor effectiveness of other initiatives aimed at increasing take up of training and access to employment.
	• Establish proposed performance measures and targets for mature age employee.	• Monitor effectiveness of other initiatives aimed at increasing take up of training among mature age employees.
	• Establish Lifelong Learning Accounts that provide a tax incentive and portability for employees to invest in training.	• Encourage individuals as employees to take responsibility for their own learning.
Government as funder of services to citizens	• Include within departmental and agency service charters specific mention of needs of older persons in employment.	• Address the particular forms of age discrimination encountered by older employed persons in accessing appropriate education & training.
Government as a major employer in its own right	• Adopt a Code of Practice on Age Diversity in Employment and Training.	• Show by example.
	• Report on proportion of older employees promoted and given access to training compared to share of same age group among applicants for promotion and training.	• Monitor performance.

Service providers funded by Government eg education and training providers	• Adopt a Code of Practice on Age Diversity in access to education and training. • Adopt performance measures of ratio of older person applicants to places allocated to older persons. • Adopt measure of older persons able to obtain Recognition of Prior Learning compared to number of applicants for RPL from same age group.	• Address the particular forms of age discrimination encountered by mature age employees in accessing appropriate education & training. • Assess performance of publicly funded training providers in meeting the training needs of older persons. • Assess performance of publicly funded training providers in recognising the prior learning of older persons.
Enterprises, large and small	• Establish Lifelong Learning Accounts and make matching contributions on group or individual basis for employees who invest in training.	• Show the individual investor in learning that other major stakeholders acknowledge the importance of their investment.
Individual citizens	• Invest in further learning.	• Empower individual job seekers to take responsibility for identifying and meeting their own learning needs.
Intermediary institutions: employer associations, unions, and other non-government organisations.	• Promote a Code of Practice on Age Diversity in Employment and Training tailored to the characteristics for the association's particular region, industry, or occupation. • Form a national leadership council of peak organisations (BCA, ACCI and ACTU) to promote private sector efforts to meet needs of employers and employees by tapping skill pool of older persons. • Form a forum of like-minded organisations to promote interest in meeting needs of older workers.	• Show the individual investor in learning that other major stakeholders acknowledge the importance of their investment. • Give a high profile endorsement to effects to improve take of employment and training of older persons: unemployed and employed. • Encourage intermediary organisations to promote good practice among each other.

Attachment 7B: Possible Policy Proposals for Addressing the Barriers to Training for Older Persons: Links Between Policies and Relevant Research Findings

1. Mature-age Job Seekers

Stakeholder	*Unemployed older job seeker proposed policy initiative*	*Relevant research findings or other source*
Government as funder of services to citizens	• Provide information through a Service Charter to mature-age job seekers in Intensive Assistance about the range of services including access to training they are eligible for under the terms of the Job Network providers contract. • Encourage employment service providers focused on the needs of mature age job seekers to form a network to exchange information on good practice. • Extend and rename the targeted assistance Return to Work program to encompass all mature age job seekers as well. • Extend a traineeship type arrangement to older job seekers.	• Focus groups with unemployed. The major problem from the perspective of older persons, especially those without jobs, is discriminatory attitudes that reduce access to jobs. Such attitudes are reflected in views that older workers: (i) do not present the right image for the job; (ii) are not perceived as "customer friendly" (iii) are not seen as enthusiastic about career prospects. • Focus groups with unemployed. • Focus groups with unemployed.

Government as a major employer in its own right	• Adopt a Code of Practice on Age Diversity in Employment and Training. • Report on proportion of older employees applying and selected compared to share of same age group among applicants for employment.	• Older persons are disadvantaged in the LM. • Older workers get less training: confirmed both by previous empirical research conducted in Australia and O/S, and by quantitative analyses undertaken for this study. The age-based training differential is accentuated when worker characteristics are controlled for. • Re-employment probabilities quite low (leads to long unemployment duration and high discouragement effect).
Service providers funded by Government eg education and training providers	• Adopt a Code of Practice on Age Diversity in access to education and training. • Adopt performance measures of ratio of older job seeker applicants to available vacancies. • Adopt measure of older job seekers able to obtain Recognition of Prior Learning compared to number of older job seeker applicants for RPL from same age group.	• Only a minority (between 33 and 40%) of the lesser probability of training among older workers is due to observable worker characteristics; remaining 60 to 67% arises from either unobserved characteristics or due to the differential treatment of older workers compared with their prime-age counterparts. This suggests, though certainly does not prove, discriminatory behaviour on the part of employers. • Re-employment probabilities quite low (leads to long unemployment duration and high discouragement effect). • Those older workers who do receive training are more likely than younger adults to report satisfaction with the training received. • Focus groups with unemployed.

Enterprises, large and small	• Adopt a Code of Practice on Age Diversity in Employment and Training developed for relevant industry and region.	• Older persons are disadvantaged in the LM. • Older workers get less training: confirmed both by previous empirical research conducted in Australia and O/S, and by quantitative analyses undertaken for this study. The age-based training differential is accentuated when worker characteristics are controlled for.
Individual citizens	• Invest in further learning based on a specified career plan.	• Many older workers express little interest in training. That older workers appear relatively uninterested in training is confirmed by both survey data and focus groups. There is greater interest among the unemployed, but it is still the oldest cohort who shows the least interest. • The main reasons for lack of interest in training among older persons appear to be: (i) limited time horizons; (ii) a fear of training and a lack of confidence in the ability to succeed in training; (iii) perceptions that training will provide few benefits.
Intermediary institutions: employer associations, unions, and other non-government organisations.	• Employer associations to promote a Code of Practice on Age Diversity in Employment and Training developed tailored to the characteristics for a particular region, industry, or occupation. • Employer associations to form a national leadership council of peak organisations (BCA, ACCI and ACTU) to promote private sector efforts to meet needs of employers and employees by tapping skill pool of older persons. • Employer associations to organise a forum of like-minded organisations to promote interest in meeting needs of older workers.	• Focus group with HR Managers. • Government Response to regulatory review of the *Affirmative Action (Equal Employment Opportunity for Women) Act 1986.* • Focus Group with HR managers.

2. Mature-age Employees

Stakeholder	*Mature-age employees*	*Relevant research & other sources*
Government as policy formulator and policy coordinator	• Establish proposed performance measures and targets for mature age employees in relation to training. • Establish Lifelong Learning Accounts that provide a tax incentive and portability for employees to invest in training.	• Older workers get less training: confirmed both by previous empirical research conducted in Australia and O/S, and by quantitative analyses undertaken for this study. The age-based training differential is accentuated when worker characteristics are controlled for. • Many older workers express little interest in training. • Many older workers see themselves as "old" / "past it". They have adopted the stereotypes of wider society. Many older employees seem locked in to a retirement age of 65.
Government as funder of services to citizens	• Include within departmental and agency service charters service charters specific mention of needs of older persons in employment.	• Behaviour of many employers reinforces the perception of many older persons that training is of little value. Management policies and practice that discriminate against older persons, especially in terms of access to employment.

Government as a major employer in its own right	• Adopt a Code of Practice on Age Diversity in Employment and Training. • Report on proportion of older employees promoted and given access to training compared to share of same age group among applicants for promotion and training.	• Older workers get less training: confirmed both by previous empirical research conducted in Australia and O/S, and by quantitative analyses undertaken for this study. The age-based training differential is accentuated when worker characteristics are controlled for. • Behaviour of many employers reinforces the perception of many older persons that training is of little value. Management policies and practice that discriminate against older persons, especially in terms of access to employment (rather than training per se), reinforce worker perceptions that there may be little value to training beyond a certain age.
Service providers funded by Government eg education and training providers	• Adopt a Code of Practice on Age Diversity in access to education and training. • Adopt performance measures of ratio of older person applicants to available vacancies. • Adopt measure of older persons able to obtain Recognition of Prior Learning compared to number of applicants for RPL from same age group.	• Older workers get less training: confirmed both by previous empirical research conducted in Australia and O/S, and by quantitative analyses undertaken for this study. The age-based training differential is accentuated when worker characteristics are controlled for.
Enterprises, large and small	• Establish Lifelong Learning Accounts and make matching contributions on group or individual basis for employees who invest in training.	• Behaviour of many employers reinforces the perception of many older persons that training is of little value.
Individual citizens	• Invest in further learning.	• Many older workers express little interest in training.

Intermediary institutions: employer associations, unions, and other non-government organisations.	• Employer associations to promote a Code of Practice on Age Diversity in Employment and Training developed tailored to the characteristics for the association's particular region, industry, or occupation. • Employer associations to form a national leadership council of peak organisations (BCA, ACCI and ACTU) to promote private sector efforts to meet needs of employers and employees by tapping skill pool of older persons. • Employer associations to organise a forum of like-minded organisations to promote interest in meeting needs of older workers.	• Focus group with HR managers. • Government Response to regulatory review of the *Affirmative Action (Equal Employment Opportunity for Women) Act 1986.*

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